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At the White House, President Reagan holds the tally sheet for his 52-to-48 victory on the AWACS package in the Senate.

Reagan Says He Made No Deals for AWACS

By Howell Raines

WASHINGTON — President Reagan said Wednesday he made no political deals to achieve Senate approval of the sale of AWACS radar planes to Saudi Arabia, which he said would enhance world confidence in the United States as a military ally.

The Senate voted 52 to 48 Wednesday against a motion to veto Mr. Reagan's plan to sell planes equipped with Airborne Warning and Control Systems and other air defense equipment to Saudi Arabia, giving the president an important legislative victory when only days ago he seemed to face defeat on the issue. He will now be able to proceed with the \$3.5-billion sale of five AWACS planes and advanced sea-skimming missile and flight-extended fuel tanks for F-15 fighter planes.

For the past two days, Mr. Reagan devoted almost all his working time to seeking Senate support for the sale, while his aides warned that a defeat on Wednesday could send the Administration into a "tailspin" that would wipe out the legislative victories of last spring.

Apparently slowed by a cold, Mr. Reagan invited two hold-outs, Democratic Senators David Pryor of Arkansas and Edward Zorinsky of Nebraska, to visit him in the red-carpeted private study of the White House family quarters at midday.

At about 4:30 p.m., Mr. Reagan went to the Oval Office to await results of the roll-call vote, which began at about 5 p.m. In a nearby White House office, his chief of staff, James A. Baker 3d, Secretary of State Alexander M. Haig Jr., Richard V. Allen, the president's national security adviser, and Michael K. Deaver, the deputy chief of staff, listened to the Senate vote on a direct hook-up to the Capitol.

As Sen. Zorinsky's name was called, Mr. Baker turned to the other men and said, "This will be interesting."

When the senator, who had withheld his pledges in the private meeting with Mr. Reagan, voted

for the arms sale, Mr. Haig snapped his fingers in jubilation.

"That's it," he said.

In short order, word of the victory was taken to Mr. Reagan, although he said he had felt sure since mid-afternoon that there would be at least a tie vote, which would have meant a Reagan victory.

"I think it's going to have a very good effect," the president said Wednesday evening when asked what the victory would do to his ability to conduct the business of the presidency.

A White House spokesman said Wednesday that Mr. Reagan discussed the sale of the five AWACS planes in 48 one-on-one meetings. AWACS victory is likely to bolster Reagan's international credibility.

Begin sees new danger to Israel in U.S.-Saudi deal, Page 2.

Israel's defense minister accuses U.S. of secretly supplying arms to Iraq, Page 3.

with senators in the past month. But administration officials have refused to say what, if any, enticements the president offered the select 12 senators invited to sit with him this week on the red-and-white easy chairs in his private study.

"Well, contrary to some of the things that have been said," the president asserted Wednesday night, "there have been no deals. None were offered. I have talked strictly on the merits of the proposal and basically I tried to point out in every instance the progress that has been made so far in the Middle East toward stability and peace and the part that was played in that by Saudi Arabia and Prince Faisal."

Mr. Reagan added that he credited the Arab nation and Crown Prince Faisal, with "a major role" in helping the United States secure a cease-fire in Lebanon.

"I simply played on that," Mr. Reagan added, "that this I felt was essential for the security of Israel, for the entire Middle East and for ourselves on the entire world scene."

OPEC Has Unity on Oil Prices

\$34 Base Price Frozen to '83

From Agency Dispatches
GENEVA — The Organization of Petroleum Exporting Countries agreed Thursday on a new unified oil price with a \$2 increase to \$34 a barrel in the benchmark price for Saudi Arabian light oil.

An OPEC communiqué, issued at the end of a one-day meeting of the organization's 13 members, said the benchmark price for Saudi oil, effective no later than Nov. 1, will remain frozen until the end of 1982.

The communiqué said the conference also agreed to set differentials for the pricing of the quality and location of OPEC crudes. It did not give details of the agreed differentials that can be added to the benchmark price.

But Kuwaiti Oil Minister Sheikh Ali Khalifa al-Sabah said that countries with the best oil and closest to major markets would be permitted to charge premiums of up to \$4 a barrel.

Backdating Seen
Informed OPEC conference sources said Saudi Arabia's \$2 a barrel price rise is backdated to Oct. 1.

Sheikh al-Sabah told a news conference that Saudi medium crude would be priced at a discount of \$1 a barrel from the \$34 market and heavy crude at a discount of \$2.50.

The compromise, ending 2 1/2 years of internal OPEC dissension, came in the third ministerial emergency session within five months to seek pricing unification.

United Arab Emirates Oil Minister Mansour bin Zayed said the agreement on price differentials is an interim measure that will be reviewed when oil ministers meet in Abu Dhabi Dec. 9. But he said the \$34 benchmark price was not interim.

Saudi Oil Minister Sheikh Ahmed Zaki Yamani said that under the agreement, Saudi oil production will fall, but he would not forecast "precise" levels. "We will tell you tomorrow," he said, when pressed for details.

Sheikh al-Sabah said the new rates would take effect immediately and exporters would allow buyers a 30-day credit period to pay for oil.

About half the exporters will have to make unprecedented price cuts of \$1 to \$2, and possibly \$3 in Iran's case, under the new structure, market experts said. Prices charged by the Saudis to \$40 asked by Algeria and Libya for their top grades of oil.

Britain charges \$35 for its oil and market experts expect it may raise its price, which together with those in the United States tend to move in tandem with Saudi prices.

U.A.E. Cuts Prices
Mr. al-Oteiba said his country's oil prices would be cut by more than 80 cents a barrel, effective Nov. 1. He added that it would be difficult for any exporter to charge \$4 more than the Saudi benchmark in the present oil glut.

In Budapest, meanwhile, the Warsaw Pact's military council opened a "regular session" attended by defense ministers or their assistants from the seven bloc member nations, the Hungarian news agency reported.

It was not known if Gen. Wojciech Jaruzelski, who is Poland's premier, party chief and defense minister, was attending the meeting or what was on the agenda, but it was presumed that the



A Swedish officer, standing at left, went aboard Soviet submarine to discuss a towing operation.

Wave of Strikes Spreads in Poland To a Major Port and Universities

By Thomas W. Netter

WARSAW — Poland's strike wave spread to a major port and to universities Thursday, swelling the ranks of protesters to about 400,000 throughout the country.

Meanwhile, the military council of the Soviet-led Warsaw Pact began meeting in Hungary.

Solidarity union officials said that 40,000 construction workers struck at 68 factories for two hours in the Baltic port of Szczecin, on the East German border, and threatened a wider strike to get more building supplies.

Students and professors at Radom's School of Higher Engineering occupied classrooms to demand the dismissal of the rector. They got support from students at Warsaw University who staged a four-hour protest, and pledges of support from other colleges and universities throughout Poland.

Elected Leadership Sought
The Radom students protested what they called "irregularities" in the election of Prof. Michal Hebda as rector. They said that the school should be run by an elected, collective leadership.

Protests also erupted in Skarzyno Kamienna, near southeastern Kielce, after the local Solidarity office was wrecked. Workers there declared that they were ready to strike and charged that the incident was an attack on the union.

Although some progress was reported in settling long-standing strikes in Zyrardow, 20 miles west of Warsaw, and in Zielona Gora in Western Poland, the government was adamant in refusing to grant strike pay.

About 12,000 workers remained off the job in Zyrardow, 150,000 in Zielona Gora, and 120,000 in southern Tarnobrzeg. Transport workers joined the Zyrardow protest, while power station and construction workers joined the striking workers in Tarnobrzeg.

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Polish unrest would be a major topic.

Gen. Jaruzelski condemned Solidarity's one-hour nationwide walk-out Wednesday. The Polish Communist Party newspaper, Trybuna Ludu, commented, "It was to be a strike showing the union's unity. But it became a strike of social division, fanning nervous moods, upholding social unrest. For what purpose?"

Most Western analysts were surprised that a party Central Committee meeting Wednesday ended without major changes in the ruling Politburo or that Gen. Jaruzelski did not relinquish the premiership.

But the general chose to retain his three posts, apparently because he did not want to make a move while the nation was gripped by strikes.

Making major changes in the party now would give the impression of succumbing to pressure from Solidarity, the Soviet bloc's only independent labor union, something that Gen. Jaruzelski apparently wants to avoid.

The premier replaced party chief Stanislaw Kania at a Central Committee meeting Oct. 18, in an apparent effort to unify the party

and capitalize on the widespread respect granted the Polish Army here.

Quitting Solidarity

MOSCOW (Reuters) — Tass on Thursday quoted Longin Kolaczynski, a Polish labor leader, as saying that many workers were quitting Solidarity and returning to government-backed labor groups.

Mr. Kolaczynski, head of the pro-Communist union for seamen and dockers, was interviewed by the agency after a tour of Soviet Black Sea ports.

"Many of our members who had earlier been misled by the damage of the petty politicians in Solidarity have broken with its anti-people, anti-Soviet line and are now returning to their trade unions," Mr. Kolaczynski said.

Canada Raises Credit Limit

OTTAWA (Reuters) — Canada has raised its credit limit for grain purchases by Poland by \$500 million to about \$1.23 billion, the government said.

Swedes Board Grounded Sub

Soviet Commander Escorted From Boat To Answer Questions on the Intrusion

From Agency Dispatches
STOCKHOLM — Swedish naval and military officers, covered by machine guns, boarded a Soviet submarine grounded near Sweden's Baltic naval base Thursday and took off its commander for interrogation.

Two Soviet destroyers steamed nearby in international waters and a second, unidentified submarine was spotted inside restricted Swedish territorial waters near the base.

A Defense Ministry spokesman said the Soviet officer was taken to a 200-ton Swedish minesweeper moored alongside for questioning that could last all night. The crew, believed to number 55, "will stay on the submarine," the spokesman said.

Cmdr. Karl Andersson, chief of staff of Sweden's Karlskrona naval base, led several police and military officers aboard the Soviet submarine, defense officials said.

"They were not armed," an official said, but the surrounding Swedish minesweepers, torpedo boats and patrol craft trained machine guns on the submarine. The boarding followed the government's decision that Swedish units, and not the Soviet salvage craft steaming in nearby international waters, would free the vessel.

The incident has angered Sweden, and a note of protest has been sent to Moscow, Premier Thorbjorn Falldin said Wednesday. The boarding followed the government's decision that Swedish units, and not the Soviet salvage craft steaming in nearby international waters, would free the vessel.

Sweden categorically rejected any further Soviet entry to the restricted military area off southeast Sweden, but about 10 Warsaw Pact salvage vessels escorted by two destroyers remained just outside Sweden's territorial limit. Despite the presence of the salvage vessels, Foreign Minister Ola Ullsten said the Kremlin now agreed that the rescue work should be done by Sweden.

A Nearby Base
The submarine ran aground 10 miles from the Karlskrona naval base and officials said the vessel was almost certainly on an intelligence mission.

The commander at the Karlskrona base, Lennart Forsman, said the captain of the submarine, identified as Pyotr Gushin, 35, would be expected to answer questions about the incident.

"We want a clear explanation how the sub could be so far into a clearly marked military restricted zone," he said. "We expect the captain to be cooperative showing his logbook, etc. Otherwise his sub can be left on the rocks."

Sweden has called off a visit to Moscow planned for next month by the military commander in chief, Gen. Lennart Jung, as a result of the incident. "The supreme commander judges that the time is unsuitable for an official visit by him to the Soviet Union," a defense staff statement said.

Warning to 2d Sub
Swedish naval units guarding the obsolete sub reported that they had chased off another intruding unidentified foreign sub in the same area. Defense officials refused to confirm that the second submarine was a Soviet vessel, but a Foreign Ministry representative

Canada Raises Credit Limit

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Airline Executives Warn of Losses
CANNES — In a bid to stem worsening financial losses, the world's major airlines are mounting a drive to raise passenger fares on North Atlantic and Asian routes — a move triggering heated controversy both within and outside the industry.

The drive is being organized within the International Air Transport Association, which ended its 37th annual meeting here Thursday.

A communiqué at the end of the four-day conference said that the 113 member airlines agreed:

- To try to cut down worldwide ticket discounting.
- To press governments to introduce reciprocal tax exemptions for airlines.
- To urge governments and airport authorities to spread airport and navigation charges more fairly.
- To seek governmental agreements to let airlines operate more direct routes.
- To urge governments to allow the overseas transfer of net surplus revenues into freely convertible currencies.

The immediate goal is cracking down on heavy fare discounting and payment of increasingly generous commissions to ticket agents, which IATA leaders consider ruinously costly, grossly unfair and in some cases illegal.

Most of the discounting schemes come from within the industry, largely as a result of U.S. deregulation of airline fares and routes during the administration of former President Jimmy Carter.

However, consumers should not expect any immediate action on fares, airline executives said in private conversations.

"Many of the airlines ... would like to see better profits, but nobody is about to stop discounting very soon — it is the only way to survive and we are all doing it, waiting to see what is agreed upon by IATA," the president of a leading European airline declared.

IATA members, whose airlines carry about 76 percent of the world's passenger traffic, also will be seeking substantial fare increases of officially posted prices worldwide, but particularly on North Atlantic routes.

Also emerging from the gathering of about 300 executives and government officials was a determination to oppose mounting political pressures seeking to promote

U.S.-style deregulation of air transportation within the European Economic Community.

The first test of what one airline executive described as "IATA's new, tougher look," is expected to take place at a Dec. 2 meeting in Geneva of about 45 airlines competing on the North Atlantic, where their combined losses will exceed \$650 million this year, IATA officials said.

"We have no agenda yet, but the idea is to bring some reason to bear on cutthroat pricing among ourselves — to get prices and profits up," according to a European airline executive who plans attending the meeting. It will be the first of its kind in five years and will be known as the North Atlantic Passenger Conference.

Several executives said that an increase of around 15 percent would be reasonable, assuming that governments of member airlines agreed and companies complied. Last June, IATA adopted a 5-percent increase in passenger fares worldwide, effective Sept. 1.

An Important Test
Addressing a press conference Thursday, Pierre Giraudet, Air France chairman and outgoing president of IATA, described the coming Geneva meeting as "an important test" of the industry's ability to police itself.

"We need an effective, flexible approach to cooperation, more adopted to the times," he said.

U.S. airlines have been given anti-trust clearances by the Reagan administration to participate, and Pan American World Airways and Trans World Airways indicated that they planned to attend the meeting. Knut Hammar-skjold, IATA's director-general, said that he was pleased with what he termed "Washington's" welcome, more pragmatic attitudes toward industry regulation.

Pan Am vice president John Champion said that his company, which recently cut its fares on the Atlantic routes, planned to attend the conference, which he described as exploratory. But he emphasized, "We shall continue to meet the competition."

A similar approach is apparently emerging among Asian airlines. "The contagion of the Atlantic has spread," said Raghuraj Raj, chairman of Air India, citing the case of four airlines which offer a London-Hong Kong, one-way fare of \$200.

"How can any carrier operate vi-

France Excludes Art Works From Wealth Tax

Mitterrand Overrules Cabinet After Dealers Warn of Cultural Flight

By Joseph Fitchett

PARIS — The president of France intervened Thursday to exempt works of art from the Socialist government's wealth tax after dealers and collectors warned that the original tax plan could cause the biggest cultural flight since the French Revolution.

By overruling his Cabinet ministers, Francois Mitterrand apparently has preserved the fine arts' traditional role as many Frenchmen's favorite way of putting away their money beyond the tax collector's reach.

The concession by Mr. Mitterrand — a man who is sensitive to France's culture heritage — was balanced by a plan for higher charges on art sales to compensate for lost tax revenues.

A Moribund Market
The charges, two dealers said, are another setback in the moribund Paris art market, which competes with cheaper commissions in London and New York. "But at least it's a tax on business, not on the pleasure of ownership," Maurice Rheims, styren of French auctioneers, said.

Before Thursday's turnaround,

the new tax proposals — now being debated in the National Assembly — triggered a wave of panic selling by French people who sought to avoid unwelcome attention from tax inspectors.

"They're unloading everything—paintings and antique furniture, jewels and country houses, even race-horses are going for bargain-basement prices," a Paris socialite said. Yacht prices are off, a dealer said in St. Tropez.

Simultaneously, antique dealers on Paris' Left Bank reported a run on precious small objects — jeweled boxes, postcards — that are easy to hide and smuggle.

France's patrimony of fine objects already had started going literally underground. "Lots of my girlfriends are burying steel-boxes in their gardens or hiding stuff under the floorboards of their chalets," explained one woman from a prominent Paris family who did not want her name used.

She and her friends do not use safe-deposit vaults or even home safes because they fear being denounced to tax inspectors by nationalized banks or even safe-makers.

The socialists' panic bezzes most Socialist officials. "We're

talking about small taxes, and we'll never have the manpower to track down everything," a Budget Ministry source said.

But dealers rose up in arms about what they saw as a mortal threat to the Paris art scene. "It's a disaster; I know objects are pouring out of France," said Marc Blondau, head of the Paris office of Sotheby's, the auctioneers, said Thursday before Mr. Mitterrand's waiver was announced.

Communists Complain
Museum curators had warned Culture Minister Jack Lang that Frenchmen would stop lending paintings for shows if it exposed them to tax. Complaints even came from Communists, some of whom reportedly own valuable paintings given by Picasso when he belonged to the party. Protests were loud in the art business, which employs an estimated 250,000 people.

Mr. Mitterrand's personal intervention will calm the outcry, but the crisis has increased many prosperous French people's wariness of the Socialists. "They've created a psychosis of fear, and they keep changing their minds," Mr. Blondau said, adding: "We could

up seeing valuables sold off like the royal furniture hawked outside Versailles palace in 1789."

Resentment against the original plan — which included art works in the wealth tax — has been laced with bitterness against its author, 34-year-old Budget Minister Laurent Fabius, who knows the antique business well. He was brought up in it by his father and uncle before studying in France's elite schools and adopting a leftward political career.

The new law will require residents of France — including foreigners — to pay an annual tax between 0.5 and 1.5 percent on wealth totaling more than \$600,000. With works of art excluded, it will cover property and stocks, but probably not forests. (Mr. Mitterrand is said to like woodland.) The new measure is expected to affect about 150,000 families — less than 1 percent of the population.

A member of the one percent complained about the law as "demagoguery" because they can't solve the masses' problems and accused the Socialists of showing their ignorance about the price of stylish living. "With the current



DODGERS WIN SERIES — Steve Yeager, left, Steve Howe, center, and Steve Garvey celebrating the Los Angeles Dodgers' first World Series baseball championship since 1955. The Dodgers beat the New York Yankees, 9-2, to win the series by four games to two. Details on Page 15.

INSIDE

U.S. Indicators Take Sharp Drop

The U.S. index of leading economic indicators, a measure of where the economy is heading, fell 2.7 percent last month, the largest monthly drop since April, 1980. At the same time, productivity took its sharpest downturn in three and a half years, Page 7.

TOMORROW

Yves Montand at 60

Despite his reputation as a political activist, Yves Montand is all show business these days, singing in Paris in a performance that is sold out for its three-month run. In an interview in Weekend, he talks about his work, some of his colleagues — and politics.

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AWACS Victory Likely to Boost Reagan Credibility Abroad

WORLD NEWS BRIEFS

Spanish House Approves NATO Bill

MADRID — The lower house of Spain's Parliament voted Thursday to seek entry into NATO. The vote was 186 to 146, representing a solid victory for centrist Premier Leopoldo Calvo Sotelo.

The premier's governing party picked up crucial votes from conservatives, Catalans and Basques. The margin, 10 more than the needed majority in the 350-seat assembly, was won despite heavy opposition from Socialists, Communists and other leftists.

The parliamentary decision came after the government warned of a Soviet military buildup and said it could imperil Spain. The issue now goes to the Senate, where approval is virtually assured by a large government majority.

Nicaraguans Seize Costa Rican Plane

SAN JOSE, Costa Rica — Nicaraguan rightists hijacked a Costa Rican plane with about 20 persons aboard Thursday and threatened to start killing the passengers if four Nicaraguan prisoners in Costa Rica were not released, police said.

The four Nicaraguans were convicted last year of attacking a Costa Rican radio station, which, they said, favored the leftist government of neighboring Nicaragua.

After landing here, the hijackers told Costa Rican Vice President José Miguel Alfaro that one passenger would be killed every hour if the prisoners were not released.

Namibian White Party Rejects Plan

WINDHOEK, South-West Africa — A leader of South-West Africa's minority white population Thursday rejected a Western peace plan for the territory's independence that includes provisions for one-man, one-vote elections.

"It must be left to the people of South-West Africa, as a first priority, to decide its own future," said Kees Pretorius, leader of the Aktar Party, which claims to represent most of the whites in the territory, who make up about 12 percent of the population.

"The role of the international community must be one of advice and assistance rather than interference and pressure," he said. He made his comments after meeting with a delegation from the United States and four other Western nations seeking a peaceful independence of the territory, also known as Namibia, from South Africa.

Jordanian Accused of Vienna Attacks

VIENNA — Austrian police said Thursday they have arrested a Jordanian who, they charged, organized the assassination of a Vienna city councilman last May and a bomb and grenade attack on a Vienna synagogue that left two dead and 20 injured last August.

Police said Bahij Younis, 28, who had been posing as a student in Salzburg, provided weapons for Mohammed Rajid, an Iraqi, for his alleged murder of Councilman Heinz Nittel on May 1. He also gave arms to Mr. Rajid and Hassan Marwan, a Palestinian, before they allegedly attacked the synagogue on Aug. 29, police said.

The Interior Ministry said Mr. Younis had two Soviet-made machine pistols, 10 regular pistols and a number of hand grenades as well as several passports when he was arrested. It also said the suspect was most likely a senior member of the Abu Nidal group that has been operating outside and often against — Yasser Arafat's Palestine Liberation Organization.

Hard-liner Endorsed as Iran Premier

ANKARA — Iran's parliament Thursday endorsed Foreign Minister Mir Hossein Musavi, a hard-line Islamic fundamentalist, as Iran's new premier, the official Pars news agency reported from Tehran.

Mr. Musavi won approval from 115 of 202 Majlis members voting, with 39 others opposed to his confirmation and 48 abstaining. He replaces Ayatollah Mohammad Reza Mahdavi Kani, who resigned on October 15.

Mr. Musavi, 39, the editor and publisher of the ruling Islamic Republican Party's Islamic Republic newspaper, was President Ali Khamenei's second choice for the premiership. One week ago, the Majlis voted 80 to 74 against endorsing Dr. Ali-Akbar Velayati, a politician educated in the United States.

Tax Reforms Announced in Sweden

STOCKHOLM — Swedish Premier Thorbjörn Fälldin Thursday announced a tax reform package that he said would ease the tax burden on 3.5 million of the country's six million taxpayers, reduce the highest tax bracket from 85 to 50 percent of a taxpayer's income and cost the government about 10 billion kronor (1.8 billion dollars).

Reduced tax allowances will finance 1.4 billion kronor of the revenue shortfall, and increased payroll taxes or a new industry tax could make up the rest, Mr. Fälldin said at a news conference.

The reform, which Mr. Fälldin said would take three years to put into effect beginning in 1983 if approved by Swedish parliament, was decided because of a growing realization that the Swedish economy was being harmed by a lack of incentive to earn more because of steep taxes, economic analysts said.

China's Foreign Chief in Washington

WASHINGTON — President Reagan and Secretary of State Alexander M. Haig Jr. met Thursday with Chinese Foreign Minister Huang Hua in the first of a series of "intense consultations" that the Reagan administration hopes will ease China's concerns about U.S. relations with Taiwan.

Mr. Huang is the highest-ranking Chinese official to visit Washington since Deputy Premier Deng Xiaoping toured the United States in 1979.

China's position on U.S. arms sales to Taiwan is holding up further improvement in U.S.-Chinese relations, including the first U.S. arms deals with the Peking government. State Department spokesman Dean Fischer said that prospects for U.S. arms sales to China will be discussed during Mr. Huang's visit.

France Excludes Art Works From Planned Wealth Tax

(Continued from Page 1)

price of emeralds, lots of girls I know are wearing half the tax ceiling on their fingers."

The main fear of the art world, however, focused on the provision — now apparently eliminated — that counts art as wealth. "The effect would be to create a parallel black market like the one in Italy," said Mr. Rheims. He added, "Objects change hands privately, and then escape the country like sheep leaping fences in a nightmare."

The wealth tax itself is less contested than some provisions that would lead to embarrassing questions about income. For example, art purchases above \$1,000 henceforth will have to be paid for, not in cash, but by traceable check.

This law goes to the heart of the time-honored French practice of using art deals to launder undeclared income. In France, a person selling a painting pays a tax of 3 percent with no questions asked; the proceeds are legal income exempt from further tax inquiry.

Mr. Rheims' fears ran even deeper: "It could kill art in France because artists can only work in places where collectors can collect. In places like New York where the tax structure encourages collectors instead of punishing them."

Rumors abound that the new wealth tax will empower tax collectors to search French homes. A Paris woman explained it bluntly: To discuss a tax audit in France, she said, "You go to the tax man's office, he doesn't come to your house."

Intercepting a glance at her antique furniture and valuable paintings, she explained: "Our drawing room is really better than our (fortune because we inherited some things and we bought well. We like to show it off to our friends, but it could create an unfortunate impression if the tax man was, you understand, a concierge's son."

Besides the risk of a higher wealth tax, her husband would have to have to explain where he got the money to pay for his decor. He will not have to now.

Guatemala Guerrillas Reported to Slay 12

GUATEMALA CITY — Twelve persons, including a provincial governor, were reported killed when 300 guerrillas raided the western province capital of Solola.

Hospital sources in Solola Wednesday night said Carlos Rodas, the governor, and the provincial police chief were among the dead. Fifteen persons were wounded.

Karpov-Korchnoi Draw

MERANO, Italy — The 10th game in the world chess championship between champion Anatoly Karpov and challenger Viktor Korchnoi ended in a draw Thursday night after 32 moves. Mr. Karpov leads Mr. Korchnoi, 4-1. Five games have been drawn.

Chad Troops Said to Move Into Capital

Paris Says Goukouni Has Not Taken Flight

YAOUNDE, Cameroon — Chad troops backed by Libyan armor have staged a show of force in the Chad capital of N'Djamena in an effort to dissuade President Goukouni Oueddei from reneging on his pledge to unite Chad with Libya, according to reports reaching Kinshasa, Cameroon, across the Chari River from N'Djamena.

The move heightened the Libyan confrontation with France, Sudan and the United States, which have been taking steps to help Mr. Goukouni distance himself from Libya's Col. Moamer Qadhafi.

In Paris, the External Relations Ministry said Thursday that despite reports that Mr. Goukouni had fled, he is still alive and in his capital. A spokesman said he met French Chargé d'Affaires Pierre Ricard in N'Djamena Thursday. The spokesman added that calm had returned to the capital.

But he declined to give an account of reported Libyan Army movements in the former French colony except to say that they had been overestimated. Diplomats have interpreted the military action as a move by Col. Qadhafi to reassert his country's position there.

French military sources said earlier that Libyan light armored columns moved into N'Djamena Wednesday from positions outside the city following the arrival of airlifted reinforcements.

The 1,700 French troops in the neighboring Central African Republic have been put on a state of alert due to the crisis, which followed new French backing for Mr. Goukouni.

French President Francois Mitterrand last week urged the Organization of African Unity to carry out promptly a July decision to send a joint force to Chad. This would replace the Libyan troops, which have been there since they intervened to help end a civil war last year.

France, which withdrew its own forces from Chad in May, 1980, this week began sending supplies and light weapons to Mr. Goukouni's forces.

Col. Qadhafi's second in command, Maj. Abdel-Salam Jaloud, Thursday denounced France's appeal to the OAU as interference in Chad's internal affairs, the Algerian news agency reported. Maj. Jaloud, who is in N'Djamena, was speaking on Chad radio, the agency said.

The U.S. State Department said Tuesday that the Reagan administration may align itself with France in backing the Goukouni government and in urging that Libyan forces in Chad, estimated at 10,000 men, be sent home.

In December, Libyan troops intervened on behalf of Mr. Goukouni, turning the balance in his favor and ending a nine-month-old civil war.

Schmidt Predicts A 30-Year Low in World Economy

DORTMUND, West Germany — Chancellor Helmut Schmidt predicted the worst winter in 30 years for the world's economy in a speech to the West German trades union federation.

Mr. Schmidt, who said the economy's most urgent need was for a cut in interest rates, received a long ovation Wednesday on his first public appearance since an operation to fit a heart pacemaker earlier this month.

Mr. Schmidt said West Germany would stand a little better than most countries next year. He said efforts to end the policy of high interest rates was the most urgent priority for the West German economy, and that a drop of only two percentage points would help more than any job-creation program.

Meanwhile, Economics Minister Otto Lambodoff predicted Thursday that the West German economy would remain stagnant through 1981 and that the country's gross national product would be weaker next year than had been thought.

Administration officials said that the Israelis had raised this point privately just 24 hours before the AWACS vote, but that their suggestion had been rejected. It was more likely, officials said, that the Reagan administration would move now to flesh out the concept of a strategic partnership with Israel discussed during Mr. Begin's visit here last month.

Influential Jewish Republicans, who privately voiced grievance over their sense of alienation from the administration on the AWACS issue and the fear that the president had suffered political damage among Jewish voters, say they will now watch to see whether the White House moves to patch up those differences or chooses to "float over beating the Jewish lobby," as a Jewish leader put it.

By putting his personal prestige so clearly on the line and emphasizing the need for U.S. credibility on foreign policy, especially in a volatile region like the Middle East, Mr. Reagan deliberately set up the AWACS vote as a test of his leadership.

"Defeat would have been severely damaging to our efforts to further the peace process and the president's effort to be an honest broker in the Middle East," commented Sen. John G. Tower, Republican of Texas, who voted with the administration.

In part, Mr. Reagan fell heir to the tradition of giving presidents their way on foreign policy. Former President Jimmy Carter used much the same issue — his need to control foreign policy and maintain commitments — to win Senate approval in May, 1978, for an earlier arms package for Saudi Arabia and in April, 1978, for the Panama Canal Treaties, then opposed by Mr. Reagan.

But the closeness of Wednesday's vote and other presidential defeats on foreign policy showed how tenuous that argument can be with the increasingly assertive mood of Congress. In 1975, former President Gerald R. Ford was rebuffed when Congress refused to lift the ban on arms sales to Turkey and later cut off funds for covert military aid to Angola. And Mr. Carter last year had to withdraw the arms treaty with Moscow when it faced near-certain defeat in the Senate.

Added Credibility

For Mr. Reagan, one immediate foreign policy advantage will be the added credibility he gains among moderate Arabs for having opposed Israel on an arms issue and having prevailed.

The administration is certain to use the whole episode to push its plans for increased cooperation against Soviet and radical penetration in the Gulf and around the Arabian peninsula, and to try to draw other moderate Arabs into the Middle East peace diplomacy. This weekend, King Hussein of Jordan arrived for talks, with both sides reported eager to repair their damaged diplomatic ties. "The AWACS vote will help," an official said.

But even as they sensed defeat, foes of the deal warned that over the long run the United States would come to regret selling the Saudis such sophisticated equipment. Sen. Bob Packwood of Oregon, the Republican co-leader of the opposition, warned that Washington would eventually face hostile powers on the Arabian peninsula because the Saudi monarchy would be overthrown either by "right-wing religious fanatics or leftwing radicals."

"We're putting all of our eggs in one basket — the Saudi basket," Sen. Packwood warned, "and it's the wrong basket."

WASHINGTON — President Reagan's startling victory in the Senate on the arms package for Saudi Arabia will bolster his credibility and influence with the moderate Arab countries and with European governments although it sharpens his differences at least temporarily with Israel.

To have come from so far behind on a crucial foreign policy issue has also given the president a badly needed lift in the domestic political arena after a period of discouraging economic and political developments. "We were in the full doldrums," acknowledged Sen. Paul Laxalt, Republican of Nevada, a close friend of the president. "We needed a big one like this."

Although most Democrats and some Republicans have seen the Saudi arms package as a special issue with little link to the inconclusive maneuvering on budget cuts, Sen. Laxalt and White House strategists contended that Wednesday's victory will strengthen the president's hand with Congress on the budget and defense.

10 Target Senators

"Now we can zero in on the economic issue," the senator asserted. "This demonstrates that the president is still very, very effective on Capitol Hill at a time when people were questioning whether his momentum had been against this happening. We had to have had 10-to-1 odds against this happening. We had only 40 votes then. We had 10 target senators and we got every one of them."

Despite the close 52-48 vote margin, Mr. Reagan's first foreign policy triumph in Congress enabled him to demonstrate both to domestic opponents and foreign powers that if he feels personally committed, he can prevail on a major foreign policy issue against powerful, organized opposition and one of Washington's most potent lobbies, the pro-Israel lobby.

As several Western ambassadors here have remarked privately, the question of Mr. Reagan's control of foreign policy has been on the minds of European governments as well as the Saudis and other moderate Arabs. Wednesday, they drew encouragement from the vote.

The president made the point that the Senate, by backing him up, had made this country a more reliable ally to overseas partners. As to the Middle East, he asserted that the Senate action will "not only strengthen Saudi-U.S. relations, but will also protect our economic lifeline to the Middle East, win favor among moderate Arab nations and, most important, continue the difficult but steady progress toward peace and stability in the Middle East."

But both U.S. and Israeli officials predicted that scars would remain from the bitter fight over the AWACS planes, which Prime Minister Menachem Begin of Israel said represented a threat to Israel's security.

Ephraim Evron, the Israeli ambassador, suggested that Washington should now move to heal the wounds by providing Israel with additional arms. In a press statement, he noted that Mr. Reagan, "whose friendship for Israel is deeply appreciated," had pledged to maintain Israel's military "qualitative edge" over the Arabs. "We trust that in view of the massive flow of sophisticated weaponry to Arab countries hostile to Israel, this commitment will be acted upon," he said.

Begin Promises Israel Will Act to 'Overcome' Menace of Saudi Arms

JERUSALEM — Prime Minister Menachem Begin said Thursday that Israel faces a new and serious danger as a result of the approval by the U.S. Senate of a \$8.5-billion arms sale to Saudi Arabia, and pledged that Israel will take steps to "overcome" the threat that it poses.

Mr. Begin did not spell out what Israel will do, but he pointedly noted in a Cabinet statement that President Reagan had reassured him that the United States will help Israel retain its "military and technological advantages."

Mr. Begin's oblique reference to countering the sale to Saudi Arabia of AWACS radar surveillance aircraft and extended-range equipment for F-15 fighter-bombers suggested the likelihood of new Israeli requests for U.S. military assistance in order to compensate for what Israel views as a loss in qualitative military superiority sustained as a result of the Saudi arms deal.

Aides to the prime minister would not be drawn into discussing the specifics of what Mr. Begin meant, but when asked if it involved a trade-off of military aid, an official said it was "not exactly in those terms." He added, "It's more in the area of the strategic cooperation discussions and in general the United States commitment to Israel."

He added: "It's not a quid pro quo, like so many tanks and planes

for the AWACS. It's not a book-keeping matter of give and take. It's a whole setup of understandings between the United States and Israel."

Following an emergency meeting of his Cabinet, Mr. Begin said the Israeli government "expresses its regret" over the Senate vote for the arms sale to Saudi Arabia, which the prime minister said "is in a state of war with Israel, rejects the Camp David accords and finances terror in the region."

Mr. Begin described the danger as unique in the 33-year history of the Jewish state, adding, "We will have to overcome this threat also. We will do all that we have to do in order to overcome it."

Mr. Begin said he received a letter Thursday morning from the Mr. Reagan, dated Wednesday, in which the president promised to help Israel retain its military superiority in the Middle East.

Mr. Reagan wrote: "The security of Israel remains an essential factor in our decisions on strategic issues in the region. This administration has a continued interest in working with Israel on a wide dimension of strategic issues, efforts which serve our mutual interests."

After reading the letter, Mr. Begin said: "We hope that these words of the president will be carried into realization."

He added that during the long Saudi arms debate, "Friends of Israel, regardless of the origin or political affiliation, conducted a just struggle with courage and dignity."

Condemnation of the Senate vote by members of Israel's parliament, the Knesset, came from across a broad political spectrum, with Communications Minister Mordechai Zippori, of the rightist Likud Party, and Victor Shevnot, of the leftist Mafpan faction of the Labor Party alignment, using similar language. Deputy prime minister, Itzhak Mordechai, said the enhanced strike capability the Saudi Arabians will achieve, and to the United States because of the instability of Saudi Arabia and the likelihood that the aircraft could fall into the hands of other countries hostile to Israel.

Shimon Peres, the opposition Labor Party leader, similarly warned that the sale would alter the strategic balance in the Middle East and pose a major threat to Israel's security.

Cabinet sources said that some ministers at Thursday's session complained that the statement, drafted by Mr. Begin, was not strong enough.

France, Britain Delay Decision on Concorde

LONDON — French and British government ministers Thursday put off a decision on the future of the Concorde, the money-losing supersonic aircraft, but agreed on a series of measures to cut up to £2 million (\$3.6 million) in costs over the next five years.

French Transport Minister Charles Fiterman and British Industry Secretary Patrick Jenkin did not detail measures, but said no route cutbacks would be made. They said they would meet again early next year "to reach conclusions" on studies into continuing the Anglo-French project.

Defense Minister Ariel Sharon, who did not show up for the Cabinet meeting, later issued a toughly worded statement of his own, saying the Senate action is "unusually serious" and will help bridge the gap in strategic balance between not only Saudi Arabia and Israel, but other Arab countries and Israel.

Mr. Sharon said it was "well known" that Saudi Arabia transfers arms purchases to other countries, and he warned that the United States is indirectly supplying arms to Iraq because Saudi-bound arms from the United States are being transferred there.

Meanwhile, U.S. Jewish leaders here for an international conference of the United Israel Appeal called on the United States to balance the Saudi deal by maintaining Israel's military superiority in the region.

Myrand Wisner, president of the American Jewish Congress, maintained that the Jewish community in the United States came out of the losing vote stronger than before.

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Correction

An article that appeared in Wednesday's special supplement on international recruitment incorrectly referred to Gérard Cléry-Melin, president of Heidrick and Struggles in Paris, as Gérard Cléry-Melin, president of Spencer Stuart and Associates in Paris.

House Panel Bars Funds for MX, Accepts B-1

By George C. Wilson
Washington Post Service

WASHINGTON — In the first congressional test of President Reagan's new strategic weapons proposals, the House Appropriations Subcommittee on Defense has refused to approve any funds for the land-based MX missile but concurred in his plan to build a fleet of 100 B-1 bombers.

The subcommittee split 7-5, Wednesday in voting on the Pentagon's appropriations request for \$200.9 billion in the current fiscal year.

Meanwhile, Mr. Reagan's request for \$2.4 billion for the B-1 in fiscal 1982 also came under fire from normally friendly sectors in the Senate.

Sen. Ted Stevens, Republican of Alaska, chairman of the Senate Appropriations Subcommittee on Defense, revealed that the CIA had told his panel in secret session Wednesday morning that the existing B-52 bomber would just about as well as the proposed B-1

in penetrating the Soviet Union with Cruise missiles.

"There is a real substantial conflict in Congress over the B-1," Sen. Stevens said at the hearing, when it was revealed that 100 B-1 bombers fitted out for the Cruise missile would cost \$28 billion, or \$280 million a plane, taking into account inflation.

Meanwhile, in a draft report, the General Accounting Office said the Air Force had failed to list billions of dollars in costs when it submitted its B-1 program. The draft listed "questionable reductions" of \$2.26 billion that were made to hit the target of \$19.7 billion in basic costs.

Rep. Joseph P. Addabbo, Democrat of New York, chairman of the House subcommittee, termed the vote against the MX "a significant expression" by Congress that it is reluctant to approve money for the missile before the administration has decided how and where to deploy it.

Mr. Reagan has said that he plans to build 100 MX missiles

and probably deploy the first 38 of them in existing missile silos, which many experts feel are vulnerable to enemy attack. He added that he would decide in 1984 how to deploy the remaining MX missiles.

"We're not going to give him money to wait and play with," said Rep. Addabbo, in explaining why the majority on his subcommittee had balked at approving the \$1.9 billion for building the MX and starting its deployment in existing Titan missile silos.

"We know we can't put the MX in these existing silos," Rep. Addabbo continued. "If they're vulnerable now, they would be vulnerable after the MX went into them."

Rep. Addabbo said he considered the denial of the \$1.9 billion for the MX as a deferral rather than an attempt to cancel the missile program outright.

Experts regard it as unlikely that the full House and Senate will finally deny money for the MX, but the final outcome on the B-1 ap-

pears to be a closer question. A growing number of lawmakers are beginning to doubt whether it is worth spending \$28 billion on 100 B-1 bombers rather than wait for its successor, the radar-evading Stealth aircraft, to be perfected.

"It's a difficult problem for everyone," Sen. Stevens said of the B-1. The subcommittee chairman told Defense Secretary Caspar W. Weinberger, sitting at the witness table, that he doubted whether there would be enough money to build both the B-1, the Stealth and keep the B-52 fleet flying.

CIA Assessment

Sen. Stevens questioned whether it would be worth spending so much money for the B-1, slated to start going into service in 1986, rather than wait a few years longer for Stealth. He said the CIA assessment given to the subcommittee Wednesday morning hardened his opinion that it might make more sense to put the B-1 money into Stealth.

The CIA assessed how B-52 and B-1 bombers laden with Cruise missiles would do against Soviet defenses for the rest of the decade. "There would be practically no difference," Sen. Stevens said of the penetration capabilities.

Although the chairman would not elaborate, other sources said that the CIA was focusing on the loss rates of B-52s and B-1s carrying Cruise missiles into the Soviet Union. Both bombers would fly low to escape radar beams and try to clear the way through defenses with electronic gadgetry and weapons.

Mr. Weinberger denied that the existing B-52 and proposed B-1 would have comparable penetration, declaring that the B-52 could not be used in that role "beyond mid-decade with any degree of safety or reliability."

Sri Lanka's Envoy in U.S. Is Diplomat of Many Roles

By Barbara Crosscette
New York Times Service

WASHINGTON — On any given day Ernest Corea might have to serve as economist, negotiator, writer, speaker, public-relations expert and policy analyst. In Washington barely six months, he has already been auctioned off as a dinner partner and cross-examined by curious citizens in a supermarket.

Mr. Corea is an ambassador — or ambassador-designate, to be exact, since the White House has not yet got around to accepting his credentials formally. More important, he is the envoy of a very small and faraway country, Sri Lanka, and so his story is the tale of how a foreign mission with limited resources tackles life in a town where the working and partying never stops.

The Sri Lanka Embassy, in a modest house on Wyoming Street, has only five diplomats and an equally small support staff. The United States Embassy in Colombo, the island nation's capital, has twice that many people, Mr. Corea said.

At home, in the embassy residence off Massachusetts Avenue, the Coreas have only one Sri Lankan cook and a part-time maid. For Mrs. Corea, already busy with cultural affairs and important visitors from home, a reception for a hundred people can mean a week in the kitchen. At a recent party, the deputy chief of mission's daughter was happily passing the hors d'oeuvres.

Unlikely Places for Conversation

Sri Lanka, neither a new society nor a newly independent country, is nevertheless an exotic place that few Americans know about and fewer still have visited. So the Coreas are approached in unlikely places by curious natives. That's how the ambassador found himself talking about the Tamil-Sinhalese ethnic split over the frozen-food counter in a Washington supermarket.

Mr. Corea and his wife, Indra, were both journalists before entering diplomatic life. He had been editor of the Ceylon Daily News and a foreign-affairs specialist for the Straits Times newspaper group in Singapore before being appointed High Commissioner to Canada in 1978.

Mr. Corea is a developing nation. Mr. Corea finds he has to tend not only to relations with the United States government, but also to liaison with the International Monetary Fund, the World Bank, United Nations agencies, business and investment people and foundations. Then there are the Sri Lankans here with whom he tries to maintain a close and warm relationship, the ambassador said.

"Of course on top of all this," he said, "one must find time to be a husband and father as well."

Vatican Panel Backs New Annulment Code

By Marjorie Hyer
Washington Post Service

WASHINGTON — An international Vatican commission of cardinals and bishops has approved a new code of canon law that could make church annulments more accessible by formally recognizing "severe psychological immaturity" as grounds for the nullity decree.

Psychological incapacity of one or both partners has been the reason cited for marriage breakdown in 90 percent of annulment cases processed by American church courts. But because it is not currently cited in the code of canon law, it is not required to be recognized as grounds for annulment, and conservative tribunals generally have not done so.

By writing the psychological grounds into the church's governing code, the commission would guarantee that every tribunal must recognize it as a basis for annulment — a decree that enables a person divorced in civil proceedings to remarry within the good graces of the church.

The action also would bring the law into closer conformity with actual practice. Acceptance of the psychological grounds into the code for the universal church would be "an affirmation of what we've always said here in the United States," said the Rev. Daniel F. Flanagan, associate general secretary of the National Council of Catholic Bishops, and would be "consistent with the jurisprudence practices in the highest courts of the church."

Papal Action

The move on Wednesday by the 74-member commission, which had been meeting for the previous eight days at the Vatican, is the next-to-the-last step in the church's 15-year process of revising its canon law code. It remains only for Pope John Paul II to accept and publish the code, which Father Hoye indicated is "a very good possibility."

Not accepted in the new code are some special procedures authorized more than a decade ago for the American church. One of these dispensed with the requirement that every annulment granted by a church court must be automatically appealed in a second court. The new code makes such appeals mandatory. "But the process to be used in judging these marriage cases has been greatly simplified," said Archbishop Joseph Bernardini of Cincinnati, a member of the commission.

The use of psychological incapacity as grounds for annulment of a marriage has developed out of a

Dutch to Receive TV From Russia

Receives

AMSTERDAM — The Amsterdam cable television company is planning to put Moscow TV straight into Dutch households, picking up the signal from a Soviet space satellite.

"Special receiver equipment has been installed and we're all set to begin test monitoring of Moscow TV's channel one," the company's manager, Hans Jacobs, said Wednesday.

"That will be no problem since 60 to 70 per cent of the material relayed by Gorizont (Horizon), the Soviet satellite, is made up of nature films, musical programs and sports events, which can be understood without translation," he added.

Israeli Defense Chief Accuses U.S. Of Secretly Supplying Arms to Iraq

By David K. Shipler
New York Times Service

JERUSALEM — Defense Minister Ariel Sharon has accused the United States of secretly supplying heavy weapons to Iraq. He said that "for months and months now," clandestine shipments of artillery pieces and ammunition had been sent to the Iraqis through Jordan and Saudi Arabia.

His charge, in a speech Wednesday at a Jewish settlement on the occupied West Bank, occurred hours before the U.S. Senate voted on the sale of AWACS radar planes to Saudi Arabia, and was part of a broad criticism of Washington's arms-sales policy in the Middle East.

"The United States is supplying weapons to Iraq," the former general and war hero declared. "Who'd have imagined that the United States would supply weapons to Iraq? So they do it under cover. They don't supply directly. They supply through the Saudis and through the Jordanians. But they have been supplying artillery and ammunition and shells through the Saudis for months and months now."

In Washington, the State Department said Wednesday that it "categorically denied" that the United States was involved in supplying U.S.-made military equipment to Iraq.

Iraq is not eligible to receive U.S. military equipment or receive U.S.-made equipment through third parties, officials said.

An official said that Mr. Sharon has been having "a running dispute" with the United States over Jordanian and Saudi aid to Iraq.

The official said that U.S. intelligence does not support Mr. Sharon's contention that Jordan and Saudi Arabia are supplying Iraq with U.S. military equipment.

"Sharon is a public man, with his claim, that's all," the official said.

Although Iraq has a treaty of friendship and cooperation with the Soviet Union, its relations with Moscow have cooled somewhat in recent years, and the United States has tried to fill the breach by quietly courting the radical regime in Baghdad.

When the Iran-Iraq war broke out a year ago, Soviet shipments of weapons to Iraq were virtually suspended as Moscow attempted to enhance its influence in Iran. Recently, according to reports here, Soviet supplies have been flowing again, mostly through the Saudi Arabian port of Yanbu on the Red Sea.

For Israel, however, Iraq has been an arch enemy, refusing even

to endorse the 1948 Arab-Israeli armistice and helping fund and encourage terrorists of the Palestine Liberation Organization. Israeli jets bombed an Iraqi nuclear reactor June 7, defending the action by arguing the French- and Italian-built facility would soon be manufacturing atomic bombs for use against the Jewish state. The United States reacted with strong criticism of the raid and suspended deliveries of U.S.-made jet fighters to Israel.

At the same time, Israel has regarded Iran as a crucial counterweight to Iraqi military strength, and even under the anti-Israel regime of the Ayatollah Ruhollah Khomeini, some officials here have advocated supporting Tehran with Israeli and U.S. weapons.

In August, Carter administration officials revealed that Israel had secretly sold Iran 250 spare tires for U.S.-built F-4 fighter-bombers last year, but yielded to U.S. pressure and discontinued shipments pending the release of the U.S. hostages in Tehran.

U.S. Announces Withdrawal Of 2 Radar Planes in Egypt

By Bernard Gwertzman
New York Times Service

WASHINGTON — Reagan administration officials, noting an easing of tension in the Middle East, say the United States is withdrawing the two AWACS radar surveillance planes sent to Egypt two weeks ago.

A State Department official said Wednesday that the deployment of the planes "was always intended as a temporary measure," and that they would be withdrawn in a few days.

President Hosni Mubarak of Egypt said in a magazine interview published Wednesday that he had ordered a reduction in Egyptian forces posted along the border with Libya, Reuters reported from Cairo. "We have not and will not make any preparations to go to war with Libya," he was quoted as telling the weekly magazine Al-Mussawwar. Mr. Mubarak said he had recently "ordered our armor to withdraw from the western border," but he gave no details.

The two American AWACS were deployed in Egypt after the assassination of Sadat because of concern that Libya might try to take advantage of his death to launch military moves against either Egypt or Sudan.

The State Department said at the time that they were being sent in response to "the need which Egypt feels to bolster its defenses against any possible external aggression."

Dean E. Fischer, the State Department spokesman, said on Oct. 14 that the planes would be based in Egypt "for an indeterminate period." The Pentagon said later that the two AWACS would take part in Egyptian-U.S. military exercises in late November.

"After consultation with the Egyptian government," a State Department official said, "we have concluded that both the operational and training missions of this particular exercise have been served and the planes can be returned at the end of this month."

He said that "clearly, an evaluation of the security situation in the region played a part in that decision."

Privately, officials said that tensions in the area were low, with no signs of any Libyan preparations for an attack. They said the United States was trying to keep tensions cool and that the removal of the AWACS was part of that effort.

Second Thoughts

They also said that there had been some second thoughts on the extent of the November exercises. At one point, Secretary of State Alexander M. Haig Jr. was talking of having B-52s fly over Egypt and drop bombs in the desert. There are now questions about doing that, officials said.

In another development, Defense Department officials said that for the first time in nearly two years, the United States had reduced its carrier force in the Indian Ocean to a single battle group.

The only carrier now in the region is the Coral Sea, officials said. Last week, the carrier America moved from the Indian Ocean, through the Suez Canal and into the Mediterranean. Two carrier groups had been maintained in the Indian Ocean since the takeover of the U.S. Embassy in Iran in November, 1979.

Defense officials said that tensions had eased in the region and that budgetary and morale considerations dictated reducing the time at sea for Navy crews.

GAO Lists B-1 'Reductions'

WASHINGTON (WP) — The Air Force dropped items costing billions of dollars when it submitted its B-1 bomber program to make it seem much cheaper than it will be, the General Accounting Office says in a draft report.

The draft listed "questionable reductions" of \$2.26 billion that were made to "accommodate" the estimated basic cost goal of \$19.7 billion (before inflation) — the figure Congress is working with as it nears final action on the 1982 military authorization budget.

One of the reductions, for avionics production, accounted for \$36 million but "could not be explained" by the Air Force Program Office, the GAO said. Another, for \$800 million, is for economies to be achieved through a contracting device by which a manufacturer "questionable because it assumes a stable production program before system testing is completed," the draft said.

In addition, the GAO said, the Air Force met its \$19.7 billion target by:

- Omitting at least \$1 billion in expenses that are "directly related" to B-1 development, production, testing and initial deployment, but that will be paid for out of funds appropriated for other programs.
- Not counting \$1.53 billion to \$3.28 billion for items likely to be found "desirable" as "testing requirements evolve." Improvements are made to the base aircraft, such as a \$650-million capability to carry Cruise missiles.

A copy of the draft was obtained by The Washington Post Wednesday, a day after the Defense Department admitted at a Senate hearing that the \$19.7 estimate falls far short of what it knew to be reality. On Wednesday, the Defense Department changed this estimate to \$20.5 billion in testimony before the Senate Armed Services Strategic and Theater Nuclear Forces subcommittee.

Limits on Outside Income Are Retained in U.S. House

WASHINGTON (WP) — The House membership has rebuffed the leadership of both parties and balked at lifting the limit on outside income of members.

Members voted Wednesday 271-146 against a resolution that would have permitted them to earn up to 40 percent of their income from outside sources. The current ceiling, established in 1977, is 15 percent.

Fees and Honoraria

Opponents warned that lifting the ceiling would open the door to abuses and conflicts of interest of the sort that the House tried to end in the post-Watergate era.

They also argued that voters next year would react strongly to an effort by members to increase their own incomes at a time when they were cutting back social programs benefiting others. The Senate has refused to impose the 15 percent ceiling on outside earnings and operates without limits.

In the past, some members of the House have earned large incomes in the form of fees to their law firms or honoraria for speeches to private groups. The practices were substantially curtailed in the House in 1977.

A study by a private lobby group, Common Cause, has said that few House members exceed the limits now in effect, which prohibit outside income of more than \$9,099 on top of official salaries. In 1980, the lobby group reported, 17 percent of the 356 current members covered by the limit that year earned more than \$8,000 from outside sources. About two-thirds of those members had outside incomes of less than \$5,000 each.

Some House members had advocated removing the ceiling entirely to match the Senate, but House leaders settled on a compromise of 40 percent, which would have enabled each member to earn up to \$24,264.

Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts, said Wednesday that it was "ridiculous" for House members to treat themselves differently from senators. But this argument was overrudden in a rash of floor speeches that warned against rolling back the post-Watergate changes.

House Panel Delays Hearing On Plan for CIA Role in U.S.

WASHINGTON — Complaining of "outside pressures," Rep. Don Edwards, Democrat of California, has postponed a House Judiciary subcommittee hearing on a presidential plan to allow the CIA to infiltrate and influence the policy of domestic organizations.

Rep. Edwards, chairman of the Subcommittee on Civil and Constitutional Rights, said that the postponement Wednesday of the hearing would give the Reagan administration time to change parts of the controversial proposal, as recommended Tuesday by the Senate Select Committee on Intelligence.

That committee's chairman, Sen. Barry M. Goldwater, Republican of Arizona, has said that his panel wants President Reagan to continue restrictions on CIA domestic spying imposed by former President Jimmy Carter in a 1978 executive order that limited such infiltration and influencing to the FBI, with the attorney general's approval.

'Any Lawful Purpose'

The draft of an executive order by President Reagan would give the CIA, for the first time, broad powers to infiltrate and influence the policy of domestic groups for "any lawful purpose" as determined by the CIA director or his designee.

Claiming that the proposed order would allow the CIA to use "abusive techniques" to spy on Americans, Rep. Edwards, a former FBI agent, had scheduled hearings by the House subcommittee because the proposed changes "deserve to be aired in a public forum."

U.S. Navy Receives First Trident Sub 2 1/2 Years Late

WASHINGTON — Some 2 1/2 years late, General Dynamic Corp.'s Electric Boat Division has delivered to the Navy the \$1.2-billion Ohio, the first of a fleet of giant nuclear-powered Trident missile-firing submarines.

The 18,700-ton vessel, equipped to fire 24 missiles with multiple warheads, was delivered Wednesday after delays caused by several problems, including faulty welds and substandard steel, according to Navy complaints. The contract for the Ohio, awarded in 1974, had called for delivery in April, 1979.

The Navy has eight more Trident submarines under construction at the Electric Boat Division's yards. A ninth was authorized by Congress last year, but a contract has not yet been awarded.

U.S. Envoys Oppose Plan for Radio to Cuba

WASHINGTON — The U.S. diplomatic mission in Havana has objected to a Reagan administration plan to set up a radio service modeled on Radio Free Europe to beam broadcasts to Cuba.

Despite its objection and questions raised in Congress, State Department officials said, the administration is going ahead with the selection of a site in Florida for the new station. The station, to be called Radio Martí after the Cuban patriot José Martí, is being developed by a private nonprofit corporation set up in late September by the administration to get the project started.

Unwelcome Results

According to a message sent to the State Department Oct. 14 by the U.S. Interests Section in the Swiss Embassy in Havana, the U.S. diplomats questioned the potential credibility of the proposed station and its cost effectiveness.

The diplomats suggested that

the broadcasts might bring unwelcome results, including the stimulation of another Cuban exodus, at a time when Washington is trying to cut illegal immigration. They also raised the issue of possible Cuban reprisals.

According to State Department officials, the service, which they hope can begin operating early next year, will broadcast "balanced" news about Cuba to the Cuban people, along with music and sports, especially baseball.

The officials, who asked not to be identified, said that the station would act as an antidote to what they described as the misinformation Cuban get from their own broadcast networks, while avoiding the unrealistic excesses of Cuban exile radio stations, which regularly call for the overthrow of President Fidel Castro of Cuba.

According to an executive order dated Sept. 22, under which Radio Martí was established, an independent commission will ultimately be responsible for the running

of the service. About \$10 million in start-up costs are to be requested. The administration will have to seek the approval of Congress for both structure and funds.

Rep. Glenn English, Democrat of Oklahoma, the chairman of the House Subcommittee on Government Information and Individual Rights, said that in testimony from State Department officials, he had never really received a satisfactory answer to why the Voice of America, which has five hours of Spanish-language programming daily, could not fill the need for which Radio Martí was being created.

Rep. English also expressed concern, shared by others in Congress, that the commission, which still must be appointed, was not required to report on the plans for the station until Oct. 1. Given the rate at which plans were progressing, he said, "there's not going to be much left for the commission to do."

"This raises the specter," he

6 Detainees Tied To Somoza Death

MEXICO CITY — Police have announced the arrest of six Argentine kidnappers who were members of the guerrilla organization accused of assassinating former Nicaraguan President Anastasio Somoza.

They said Wednesday that the six Argentines and a Mexican were arrested Tuesday when they tried to collect a \$1.6-million ransom for Beatriz Madero Garza, 25, an industrialist's daughter who was abducted Friday.

The Argentines, including two women, were members of the "Red Faction" of the Workers' Revolutionary Party, police said. The group is blamed for assassinating Somoza last year in Asuncion, Paraguay. Miss Madero Garza was found unharmed in a tent outside the city of Cuernavaca, about 60 miles (95 kilometers) south of Mexico City.

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Just Squeaking Through

The AWACS vote in the Senate puts an end to a bruising chapter in the evolution of the Reagan presidency. Mr. Reagan needed to win, if only to avoid the blow to his and the country's foreign policy credibility that a defeat would unquestionably have brought. But there was never an honest way to ignore the fact that Mr. Reagan had put his partisan supporters, and the supporters of presidential credibility, in an unhappy bind. This was so because, on the merits, the AWACS case, while defensible, was never so clear-cut and urgent as Mr. Reagan was forced to insist in order to justify the extraordinary investment made in it. The prerogatives of presidential initiative in foreign policy and those of congressional review have not been in such painful collision since the Vietnam War.

Mr. Reagan himself provided, on the eve of the vote, a telling example of the lengths to which his pursuit of AWACS was taking him. Senate rejection of the package, he said, "would be a step toward closing [the Saudis] out of any peace initiative." This was an odd thing to say about a country that has done as much as any other to thwart the one Middle East peace initiative, the United States', that has actually worked — even if, to be sure, it has not worked completely. Nor was there any hint by Mr. Reagan that the Saudis, in return for the tremendous effort to which he has gone for them, will now convert their own effort at a "peace plan" into something worthy of the name.

The central defect of the AWACS sale has been, throughout, the administration's failure to link the transfer of arms to any coherent diplomatic plan designed to ease the conflict — the Israeli-Palestinian conflict

— that figured most in Saudi Arabia's desire to build up its military strength in the first place. The difficulty of coaxing the Israelis along the route to compromise, if the Palestinians can somehow also be brought along, can only have been aggravated by the deal — not least because in keeping one American promise to Saudi Arabia, Mr. Reagan broke another one to Israel. The president was able to shield this failing behind a cloak of strategic necessity so long as the AWACS debate went on. He can do so no longer.

At home, Mr. Reagan has caused to resign some of the officers that otherwise might attend a major victory. It is not simply that the struggle put a light on shortcomings in his management of foreign policy — shortcomings he was able to overcome only by pay-offs of uncertain but evidently substantial dimensions to senators. There is also the potential of harm that may have been done to the social fabric of the country by feelings raised against Jews during the controversy. A country composed of different ethnic and religious groups has to be exceedingly careful that no one group is collectively penalized if members of it exercise, however vigorously, their democratic rights.

President Reagan can, finally, hope that he will not suffer the fate of Jimmy Carter in the case of the Panama Canal treaties. Mr. Carter, you will recall, also squeaked through. His leading adversary on the issue chose not to put it behind him, rather, used it relentlessly and to great political advantage. For Mr. Reagan now the need is to demonstrate that he has a truly national foreign policy. A score of 52-48 is not good enough.

THE WASHINGTON POST.

Competition in the Air

Air travel is almost back to normal — or so it seems. Most travelers are getting where they want to go in spite of the air controllers' absence. Most airlines are in the black, making up for fewer flights by using bigger planes. There is even a price war of sorts on some routes.

But appearances deceive. Reductions in flights to major airports, required by the Federal Aviation Administration to ensure safety, are suppressing incentives to airline competition. As the Yale economist, Paul MacAvoy, put it, these reductions could "cancel the deregulatory gains in passenger services of the last five years." More sophisticated planning by the Federal Aviation Administration — or an end to the air controllers' strike — may be needed to save competition in the skies.

If the patient is so ill, why are his eyes so bright and his cheeks so rosy? Except at 22 heavily trafficked airports, air service really is close to normal. Even in congested areas, service is good in off-peak periods. But government requirements that the airlines impose rush-hour restrictions virtually eliminate the need to compete for business.

Ailing Pan Am and Braniff have lowered fares on some routes to increase their shares of the market, and competitors have been forced to match them. But average fares are likely to rise as empty seats disappear. The posted fares, which are subject to government approval, should remain stable, but the

discounts that have been common in recent months will vanish.

Even more worrisome is the indication that government efforts to coordinate flight reductions may end up helping to cartelize the industry. How? Visualize Alpha Airlines offering to drop two of its five daily flights from City X to City Y. The FAA passes on the information to Beta Airlines, which can now cut two of its flights, secure in the knowledge that it will not lose any share of the traffic. Only the public loses, inconvenienced by fewer flights which in turn may push up fares.

The best remedy would be a settlement of the controllers' strike, an unlikely prospect. Second best is probably all we can hope for: Give airlines priority in air space that small and private planes now compete for. And where new carriers compete with established lines, the FAA should bend over backward to accommodate them. If the scheduling problems become even more serious, it would be useful to experiment with free market remedies. The FAA might auction off scarce slots to the highest bidders.

Airline deregulation is a success. It has held down fares in a time of rapid cost increases and encouraged innovation in a hide-bound industry. What a shame if an administration that was elected to let the free market flourish became, in the case of air travel, the instrument of restraint.

THE NEW YORK TIMES.

Other Opinion

After Reagan's AWACS Victory

Yesterday, the AWACS brought Reagan into the tent of history as one of the greatest American leaders in recorded history, who will be remembered with distinction for a long time. We acclaim Reagan, who has come out of the AWACS controversy a hero. We would acclaim him further if he redressed Arab rights and looked upon our cause with an eye of justice, after having realized that Zionism is nothing but a wooden horse that can be broken when America's interests are at stake.

— From al-Jazirah (Riyadh).

The vote by the U.S. Senate constituted a victory for the voice of reason. The vote broke the assumption that Zionist propaganda had tried to instill in world opinion that Israel was the power that manages the United States' foreign policy.

— From the Okaz Newspaper (Jidda).

Petro-dollars carry tremendous power in the calculations of U.S. foreign policy. Saudi Arabia can now buy anything, anywhere in the world, since the American example will influence other countries.

— From Maariv (Tel Aviv).

If President Reagan is now in seventh heaven, his mood is understandable, because it is to be expected that in the short run at least

his success will help him. But we are hurt in the short term prestige-wise and psychologically, and in the long term in our national security.

— From Yedioth Aharnoth (Tel Aviv).

The deal does not advance the administration's grand design for "strategic consensus" in the Middle East. The result can hardly be considered a major step toward peace and stability in the Middle East — and that, after all, is America's real goal.

— From the Daily News (New York).

The \$8.5-billion arms deal merely adds one more unstable element to a region bristling with military hardware, and enhances the Israeli sense of vulnerability.

— From the Hartford (Conn.) Courant.

On the Bread Shortage in Romania

It seems astonishing that following a bad harvest, Romania is actually reduced to bread rationing. Yet food supplies seem to be the Achilles' heel of the Soviet bloc as a whole. Why? Partly it is the deliberate choice of Soviet rulers to put guns before butter, but it is even more because Socialist planning just doesn't work on the land — the Communists find they can't dragoon either the seeds or the seasons.

— From the Daily Mail (London).

Oct. 30: From Our Pages of 75 and 50 Years Ago

1906: Mary Baker Eddy's Health

NEW YORK — Christian Scientists here, interviewed in regard to the wild stories of Mrs. Mary Baker Eddy's death and other rumors that she is dying and impersonated by another, declare that they do not expect Mrs. Eddy to live forever, despite the popular conception that she must show physical immortality to justify the theories as to the superiority of spirit over matter. They state that Mrs. Eddy has written that, in her opinion, the entire fulfillment of her teachings will extinguish death, but she has added that for herself she cannot say. Mrs. Eddy has not personally denied the report published by the New York World as to her illness, but she has declined to see newspaper representatives.

1931: U.S. Employment Practices

WASHINGTON — Employers who discharge old employees and replace them by younger men willing to work for less money during the national crisis were characterized as "selfish and inhuman" in a report issued today by President Hoover's committee on unemployment relief. The committee issued a report stressing the need for immediate and speedy action in executing a comprehensive aid program as a means of assisting business to recover from the present economic depression. Employers who have refused to shorten working hours in their respective industries in order to provide work for more men were condemned by the president's assistants. Additional credit facilities are also urged.



AWACS: Victory and a Challenge

By Anthony Lewis

NEW YORK — President Reagan is entitled to exhilaration after his dramatic last-minute victory in the AWACS battle on Capitol Hill. It was a masterpiece of presidential lobbying. But the AWACS denouement is an enormous substantive challenge to the Reagan administration. In the course of fighting congressional opposition to the Saudi arms package, Reagan and his people described the deal as a step toward peace and stability in the Middle East. Now they have the burden of turning that vision into reality.

No one can believe that the sale of \$8.5 billion in arms to Saudi Arabia will in itself ease the conflicts in the Middle East. Suppose that present political trends continue until the United States delivers the AWACS planes four years from now. The picture would probably look like this:

• Israel, feeling lonelier and more apprehensive than ever, has refused to take meaningful steps toward resolution of the Palestinian issue. The idea of "autonomy" in Gaza and the West Bank, explored without result in interminable negotiations, was finally left to wither. Jewish settlements on the West Bank, still multiplying, make Israeli withdrawal from occupied territory a political impossibility.

• The Egyptian government of President Mubarak faces increasing discontent, at home and in the

Arab world, arising in part from the failure to achieve a Palestinian treaty. Egypt sticks to its peace treaty with Israel — but it is a cold peace, without the trade and tourism and human values envisioned by Anwar Sadat as the true elements of peace.

• The Palestinian movement, in its frustration, has swung increasingly to radical leadership and terrorism. Libya and Syria are the dominant influences on the PLO.

The only way to brighten the picture is to make progress on the hard issues of peace. That requires American leadership. The AWACS deal, rather than improving the possibilities, poses new obstacles to an effective U.S. role.

The blundering way the Reagan administration got into the AWACS affair required the expenditure of great political capital. There was a rough confrontation with Israel and Prime Minister Begin, Reagan going so far as to suggest at a news conference that Begin was trying to make U.S. foreign policy. After that, to see the AWACS proposal win could only intensify Israeli fears and their resistance to compromise in negotiation.

But there is an opportunity for Ronald Reagan in all this. He is uniquely situated to give Israelis the reassurance they need. He is not the type to be vindictive when he wins a fight. He can say, with credibility, that he remains totally pledged to Israel's security.

But the president must have what he has not yet had: a policy for the Middle East. It is not enough to produce an arms package here, a trip there and loose rhetoric in between. He has to have a concept of how the region's tensions could be reduced and an idea of how to use U.S. diplomacy to that end.

As it happens, Saudi Arabia has the place to begin with the administration's argument that the AWACS deal would be good for peace because it would help bring the Saudis into the peace process. Critics scoff at that proposition, but there could be something to it — if the U.S. government works at making it true.

As it happens, Saudi Arabia has an initiative on the table: the eight-point peace plan that Crown Prince Fahd put forward in August. Israel quickly rejected it, and the United States has pretty well ignored it. If the Reagan administration is serious about involving the Saudis in the peace process, it can no longer do that.

Prince Fahd's plan was vague, as the critics say, but it spoke only inferentially of Israel's right to live in peace. But the glass can be called half full as half empty. The Saudis, usually so shy of involvement, actually said something. The Fahd plan has been praised by both Egyptian and PLO leaders; it has the potential of bridging suspicions and getting Palestinians into negotiations.

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Selling Europeans on Deterrence

By Philip Geyelin

BRUSSELS — The Reagan administration is deluding itself if it finds reinforcement in the thought that the anti-nuclear protests in Europe "do not represent a widespread view of West European citizens."

And it is quite simply missing the point if it seriously draws comfort from European polls that "consistently show strong majority support for NATO" or from the fact that "West European governments certainly share our concern over what's clearly the main threat to peace to Europe — the increasing Soviet military buildup."

These citations from a recent White House statement contain a certain measure of truth. The "peace marches" are merely the cutting edge of European sentiment, and the polls show general support for NATO membership.

But when you have said all that, you have said nothing — or nothing, at least, that bears on the most urgent threat to the defense of the Western alliance. The war of words now raging on the battleground of European public opinion centers quite specifically on the proposed deployment of theater nuclear forces on European soil. And that war is being lost.

That was the unmistakable message from a gathering in Brussels the other day of former and current movers and shakers of NATO affairs. The occasion was the 20th anniversary conference of the Atlantic Institute, a privately financed, Paris-based study group whose mission is to monitor the condition of the ties that bind the Western bloc.

Failure

You could read the three days of deliberations two ways — pessimistically, as a next-to-last gasp of gratitude for 30-odd years of no war in Europe; or optimistically, as a long gulp before rushing forward with new efforts to cope with NATO's strategic concerns. But there was no way you could read into what was said publicly and privately even slight confidence in a companion White House reassurance from Counselor Edwin Meese that Europe's anti-nuclear ferment "will not impact on our policies."

The optimists included Dr. Manfred Wörner, a leader of West Germany's opposition Christian Democrats and chairman of the Bundestag. The "first and foremost" challenge to the alliance, he argues, is "internal," by which he does not mean the "clamorous minority" but a "silent majority."

Wörner speaks of a "hearty total failure of political leadership" to fit the deployment of Pershing-2 and Cruise missiles into a coherent argument for deterrence.

West Germany's Social Democratic chancellor, Helmut Schmidt, has led the campaign for the deployment, over powerful opposition from within his party. Italy is the only other NATO member to agree to the deployment on its soil.

Letters intended for publication should be addressed "Letters to the Editor," and must include the writer's address and signature. Priority is given to letters that are brief and do not request anonymity. Letters may be abridged. We are unable to acknowledge all letters, but value the views of readers who submit them.

The Netherlands is a veritable wellspring of anti-nuclear sentiment. In Belgium, a recent poll showed 66 percent against the deployment. The Scandinavians' opposition is absolute.

Wörner is saying that even a NATO agreement to couple de-

'They are outsmarting Reagan by talking about peace while all Washington talks about is nuclear weapons.'

ployment with negotiations for removal of the equivalent Soviet SS-20s, which are already deployed, cannot guarantee that a weapons system goes into service nowadays in the face of public pressure.

What is needed, Wörner and others agree, is a harder European sales campaign — and a far softer American sell. This last point comes through a bit muffled; few Europeans wish to give public offense to the new crowd in Washington. Privately, a senior allied official voices a widely shared complaint over the public relations

damage already done by the Reagan administration's early and repeated nuclear "saber-rattling."

The Soviets, it is argued, are getting away with a stunningly successful "peace" campaign, while surrendering nothing of substance. "They are outsmarting Reagan by talking about peace while all Washington talks about is nuclear weapons," says a representative of a NATO member much in favor of the deployment. "You have lost the whole advantage you had from Afghanistan."

Even Americans on the scene concede as much. They hope the damage can be undone by a developing campaign in Europe to play down weaponry while accentuating the negotiations. But a French official worries that "when you do this under pressure, it lacks conviction — it may be too late."

Schmidt's hold on power, meantime, is precarious, and West Germany is the key to the deployment. His party could well repudiate his support for deployment at its April conference. A rear-echelon report from the White House that all goes well at the front, in the battle for European opinion, is hardly calculated to help.

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Ceausescu's Strategy Is to Worry Both Blocs

By Leopold Unger

BRUSSELS — Romania these days gives every sign of running hard on the path of poverty blazed through Eastern Europe by Poland.

The Soviet Union, mired in Afghanistan and still feeling the shocks from the Polish earthquake, may not be prepared to tolerate a second pole of destabilization in its empire, and particularly not on its soft Balkan flank. Yet Bucharest may not be in a position to allow Moscow any choice.

Romania, which has the lowest standard of living in the Eastern bloc, has recently become the only country in Europe to ration bread and wheat. This is something that even Poland has always managed to avoid.

The origins and symptoms of the Romanian crisis look very Polish: overinvestment in nonproductive areas, agricultural deficits, food shortages, huge foreign debt. Mr. Ceausescu's response has been very Romanian: on the domestic side, police repression and more restrictions, with the president urging leaders to go out in the country and work with the farmers; and in foreign relations, a two-pronged

Letter

Productivity Gap

Your Oct. 15 issue referred to similar Ford automobile plants in England and West Germany. The English plant employs 10,040 workers who require 40 man-hours to produce each auto. The West German plant produces each auto with only 21 man-hours.

In 1938, Winston Churchill asked in the House of Commons: "Why is it that this skillful British aircraft industry requires 90,000 men, and that it produces only one-half to one-third of what is being produced by 110,000 men in Germany?"

CLINTON READ.
Amsterdam.

The Middle East Needs Comprehensive Policy

By Mohamed Sid-Ahmed

WASHINGTON — Anwar Sadat's assassination has brought home to the United States that the hopes Americans pinned on the peace process he initiated are shattered. It is even questionable whether Israel's withdrawal from the rest of the Sinai, as called for in the Egyptian-Israeli peace treaty, can be taken for granted.

The treaty stipulates that "full normalization" of relations between the two countries should precede total withdrawal. But withdrawal is a phased military operation due to be completed in April, 1982. Normalization is a process that does not depend exclusively on commitments by governments, it is something that must mature and for which no deadline can be set.

Sadat scrupulously abided by the letter of the treaty. But the Israelis cannot have failed to notice that their presence in Egypt has come up against manifestations of hostility from an ever growing opposition, including forces that cannot be accused of fanaticism and anti-Semitism.

How can any Egyptian condone as "normal" the Israeli government's claim that Arab Palestine does not exist, or its decision to make Arab Jerusalem the capital of Israel, or Prime Minister Begin's assertion of a right to strike preemptively at any Arab state?

Opposition

No doubt Begin feared Israel would be obliged to withdraw before normalization could ensure the irreversibility of peace. He may have accused Sadat of deliberately taking an equivocal stand toward his internal opposition, in preparation for his re-entry into the Arab world once Sinai was restored.

Sadat's clampdown on all opposition forces in Egypt, including moderate and secular critics, came only a few days after his meeting with Begin in Alexandria and more than two months after violence between Moslems and Coptic Christians. It may be that Begin threatened not to withdraw if forces opposed to normalization were not dealt with decisively. Because of the clampdown, Sadat was assassinated a month later.

Because Hosni Mubarak is not Sadat, Israel will be still more demanding on the issue of normalization as a condition for evacuation and as a means to test the new president. From the other flank, the Arabs are expected to offer Mubarak the opportunity to bring Egypt back into the Arab fold. With the authority of the state challenged and opposition developing into civil disobedience and acts of insurrection, the temptation to come to terms with the Arabs will become irresistible.

The temptation will also be strong to identify a villain so that Egypt's power buildup will be less subject to the opposing pulls of Israel and the Arabs. This would be Libya's Qadhafi. That way out of a "strategic consensus" against the Soviet threat that Qadhafi is assumed to personify.

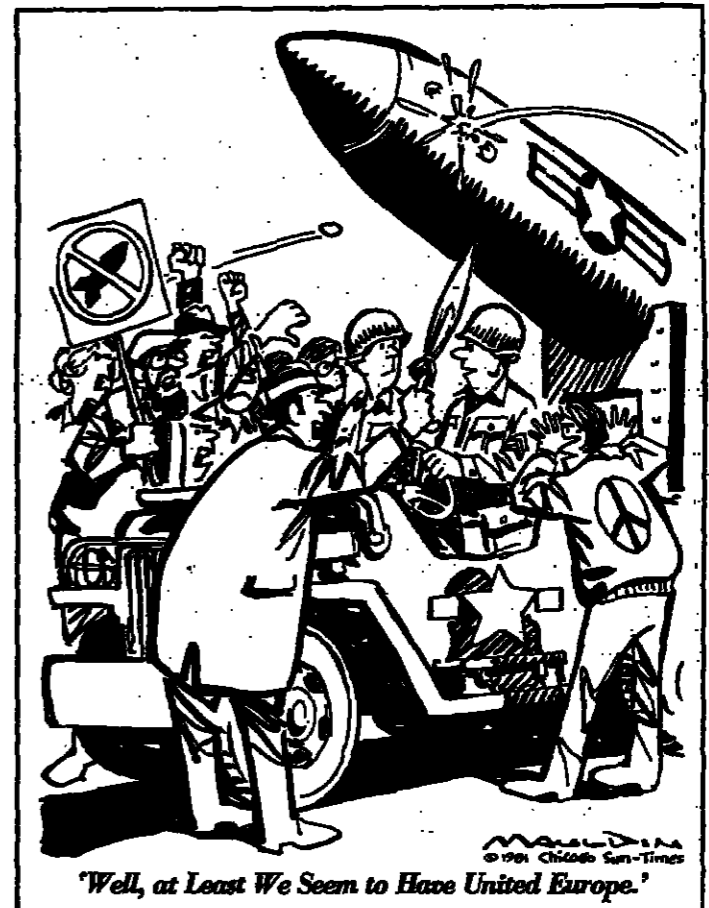
A Change

This will, however, identify U.S. policy in the Middle East with war, not peace. Also, a war with Libya, might backfire, with the spread of Islamic fundamentalism in the ranks of the Egyptian Army. Even a successful military operation against Qadhafi would make him, an Arab hero.

The breakdown, with Sadat's death, of the restructuring of the Middle East that he sought has encouraged former U.S. presidents to call for a change of policy. Jimmy Carter and Gerald Ford have advocated PLO participation in the peace process. This is what Sadat himself recommended during his last visit to Washington, only to be rebuffed by Ronald Reagan.

Experience shows that separate settlements can eventually backfire and make comprehensive peace more remote. An appreciation of the need for a comprehensive approach must be the point of departure for a total reappraisal of the Middle East equation.

Mohamed Sid-Ahmed, a Cairo journalist, was recently a guest scholar at the Woodrow Wilson International Center for Scholars in Washington. He contributed this article to The Washington Post.



Productivity Gap

Lee W. Haeber
Philip M. Folsie
Walker N. Wells
Robert K. McCabe
Stephen Klaidman

Executive Editor
Editor
Deputy Editor
Chief Editorial Writer

There is more. The small steps that Romania has taken toward the EEC since 1975, in a cautious but lucrative rapprochement, will allow Mr. Burdica to preside at the first meeting of the first joint commission between the EEC and a Comecon member country.

Money

This is another way for Mr. Ceausescu to show independence from Moscow and Comecon. And he will use the Brussels meeting to demonstrate to his countrymen that the name Ceausescu still counts abroad, despite the misery at home. Above all, his representative will be in Brussels to ask for money — specifically, access to the European Investment Bank.

These are economically difficult times, and many countries are beginning to think twice about adding a Romanian to a table on which a plate has been laid for a Pole. But Bucharest has strength in both prongs of its double strategy.

After its troubles with Poland, Moscow cannot afford to let Romania go from one crisis to another. The Polish crisis has upset trade among the Communist countries. An eventual bankruptcy of Romania would seriously damage Comecon's commercial network.

The EEC also finds itself in an

uncomfortable position. If it establishes a precedent by letting Romania in, other third countries may come knocking at its door. Yet the Western countries are reluctant to turn the Romanians down, with the risk that Romania might have to abandon whatever independence it may enjoy vis-à-vis Moscow for economic reasons.

With no hint of coincidence, just a few days before Mr. Burdica's visit, Mr. Ceausescu has favored the Kremlin by declaring in favor of removing Soviet SS-20 missiles in exchange for abandonment by the West of its intention to deploy Pershing-2 and Cruise missiles.

Asked about the effects of the recent Polish events on Romania, Prof. David Funderburg, the new U.S. ambassador in Bucharest, told the Senate Foreign Relations Committee that he could not see such a situation developing in Romania because the two countries have different cultures, religions and heritages. This may well be. The ambassador is a specialist in Romanian history.

Yet the stakes are high, and some observers see Polish and Romanian developments as complementary. The Polish schism seeks to set up independent structures inside a Communist country. The Romanian schism accentuates independence in foreign policy.

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Handwritten signature or mark in a box.

China, Bearing in Mind the 'Polish Lesson,' Seeks Solution to Its Labor Unrest

By Michael Parks
Los Angeles Times Service

PEKING — The "Polish lesson" has made a deep impression on China's leadership, but the ruling Communist Party is still trying to find the right solution for potentially explosive labor unrest.

In scattered but recurrent slowdowns, demonstrations and strikes, industrial workers are protesting low pay, poor working conditions and recent layoffs. Dissident journals report continuing efforts to form independent trade unions to voice these and other worker complaints.

Some Plans Dropped

The Communist Party has conceded the need to give workers a greater voice in running the country's industries, but it has sought during the past year to balance that with the needs of a centrally run economy. So far, the party has been unable to resolve the resulting contradiction.

Plans to put Chinese workers directly in charge of their enterprises — determining production levels, allocating profits and hiring

and firing managers — were quietly dropped, and workers' congresses, which were to have had these broad powers at each plant, became little more than advisory bodies.

Continuing Unrest

Chinese trade union officials found in a survey that only 25 percent of the workers' congresses had done well even in this limited role, that 60 percent had no significant impact in voicing worker opinions and complaints, and that 15 percent of the congresses existed only on paper.

Only 30 percent of China's 400,000 industrial enterprises, generally the largest, had actually established workers' congresses, leaving "nearly two-thirds of our workers disenfranchised," another union report said.

The trade unions, now under party instructions to represent the workers more effectively, complain that they are frequently frustrated by government officials who side with enterprise managers. "The production-at-any-cost mentality still blinds many leading cadres to the real dangers in worker resentment," a union leader told a Peking conference on the problem.

The result is a continuing level of unrest just beneath the surface in many Chinese industries concerning complaints, including inflation-eroded pay, changes in the bonus system, unsafe working conditions and a lack of housing and other facilities that enterprises here usually provide.

Party Intervenes

Chinese officials appear to have dealt successfully with most of the past year's protests through conciliation. These involved coal miners, tool-and-die makers and chemical-industry workers who have demanded unions independent of the party and government. Young steelworkers in Taiyuan, west of Peking, have demonstrated for better living conditions. Other actions involved a two-day strike at the large Anshan steel works in northeast China over a variety of grievances, another two-day strike at a Shanghai glass works, and a half dozen reported protests over layoffs when old plants were shut.

The latest reported strike was by workers of an electrical transformer plant in the southwestern Chinese city of Kunming to pro-

test the plant management's allocation of new apartments to the director, party secretary, trade union leader and their friends, instead of the workers for whom they were built.

The provincial newspaper Yunnan Daily said the three-day strike and sit-in at the apartments and plant offices ended when city party officials intervened, eventually ordering that the quarters be turned over to the workers' congress to allocate and that the officials make public apologies for abusing their positions.

Workers' complaints will probably increase in the next few years, Chinese officials believe, as the country's "economic readjustment" leads to further plant closings, with as many as 10 million workers a year, nearly a tenth of the urban labor force, assigned to new jobs.

Reliance on Market

Workers' congresses, which are quarterly assemblies of the elected representatives of an enterprise's employees, were established to deal with such problems. The idea was that the congresses at first would simply ease discontent and try to settle worker grievances. Later, they were to have involved workers in manage-

ment and eventually to have taken over actual direction of the enterprise under a planned economic decentralization.

But the decentralization, involving broad self-management rights for enterprises and reliance on market forces rather than central direction and planning, was shelved late last year when it seemed to be creating more problems than it was solving.

With it went the projected broadening of the role of the workers' congresses and the strengthening of the trade unions' authority. Then, opposition to the workers' congresses emerged in full force, according to informed Chinese sources, and many local officials and enterprise managers charged them with creating anarchy in industry and challenging the party's leadership.

The party leadership's search for a compromise led to a top-level review of the congresses during the summer, and the issuance of new regulations governing them. These regulations, which have the force of law, require all enterprises to establish workers' congresses, but to put them "under the leadership of party committees" with all disputes between manage-

ment and labor to be submitted to "superior organs" — higher levels of management — for resolution.

Deciding on Funds

Workers' congresses may discuss management plans and reports and "supervise leading cadres," recommending their appointment, promotion or dismissal, but it is permitted to decide directly only on the use of worker welfare funds.

Even this weakened kind of congress is meeting opposition, according to party officials here and in leading industrial provinces.

"Major problems in the enterprises must be handed over to the workers' congresses for discussion," Mao Ziyong, the party leader in Hunan province, admonished dubious officials recently.

The Coal Ministry, meanwhile, has taken a different approach to put its officials back in touch with increasingly disgruntled miners. Every official from minister down to local mine managers and party secretaries under the age of 50 has been ordered into the pits to work for up to five weeks a year.

Computer Study Indicates 1 Author Only for Genesis

United Press International

TEL AVIV — A five-year computer study of the Bible strongly indicates that one author — and not three as widely held in modern criticism — wrote the Book of Genesis.

"The probability of Genesis having been written by one author is enormously high — 82 percent, statistically," a member of the research team said in an article published in Wednesday's Jerusalem Post.

Prof. Yehuda Radday, a Bible scholar from the Technion, a Haifa university, said more than 20,000 words of Genesis were fed into a computer, which conducted an analysis of its linguistic makeup.

Many critics widely hold that Genesis had three authors — the Jahwist, or "J," author, the Elohist, or "E," author, and a priestly writer, dubbed "P."

"We found the J and E narratives to be linguistically indistinguishable," Mr. Radday said at a news conference Wednesday.

But the P sections differ widely from them. "This is only to be expected, since dramatic tales and legal documents must necessarily display different 'behavior,'" he said. "If you compared love letters and a telephone directory written by the same person, linguistic analysis would point to different authors."

Ex-Wife of Aide To Tanaka Says He Took Bribes

Los Angeles Times Service

TOKYO — The ex-wife of a close aide of former Premier Kakuei Tanaka has testified that her husband told her in 1976 that he had passed \$1.8 million in payments from the Lockheed Aircraft Corp. to Mr. Tanaka.

It was the first time anyone associated with the accused recipients of Lockheed bribes has supported prosecution charges in court.

Not until Wednesday morning did prosecutors disclose they would call Mieko Enomoto, 33, as a witness in the trial that has lasted more than four years. Her former husband, Toshio Enomoto, is a co-defendant with Mr. Tanaka, who is accused of receiving the \$1.8 million as a bribe to persuade All Nippon Airways to purchase Lockheed planes.

Mr. Tanaka's attorneys said that Mrs. Enomoto, who obtained a divorce in October, 1977, could not



Mieko Enomoto

be considered an impartial witness, but the motion was overruled. Mrs. Enomoto said that "from the day after the Lockheed case was disclosed" in 1976 in testimony in the U.S. Senate, Hiroshi Ito, managing director of Marubeni Trading Co., Lockheed's agent in Japan, "started calling our home every day around 8 a.m."

Japan Calculates Cost of Sanctions on Russia

By Tracy Dahlby
Washington Post Service

TOKYO — The loss of several billion dollars in potential sales of industrial plants to the Soviet Union has touched off a feud in the government and among businessmen on the wisdom of maintaining sanctions against Moscow.

Japan imposed restrictions on trade and diplomatic contacts after the Soviet intervention in Afghanistan in December, 1979. Since then, the government has come under mounting pressure from Japan's powerful business establishment, whose leaders want to see relations with Moscow put back on a more friendly and profitable basis.

Senior Japanese diplomats have rejected such a move because of concern it might strain relations with Reagan administration officials who have committed themselves to a tough stand in dealing with the Russians.

Orders Lost

They suggested, however, that sticking to the hard line may become increasingly difficult in the face of political forces favoring improved relations with the Russians. The chill between the two countries began early last year when, following the Carter administration lead, Japan put tight limits on the exchange of visits by high-level government officials and on low-interest, government-sponsored credits used by Japanese exporters to finance trade deals with the Russians. Tokyo further angered the Russians by boycotting the

1980 Summer Olympics in Moscow.

Since then, Japanese traders have lost sizable Russian orders on at least 10 major long-term plant projects, each worth more than \$100 million, according to industry analysts here.

Many of the contracts, they said, had gone to competitors in Western Europe, particularly France and West Germany. The shift is widely interpreted in Japan as retaliation for Tokyo's close alignment with Washington on the sanctions issue.

Two weeks ago, Moscow turned down Japanese bids for \$1.7 billion in equipment for gas pipeline compressor stations in favor of West German, French and Italian firms, according to Japanese press reports.

In an apparent easing of restrictions on government-sponsored financing, it is believed that Japanese and Soviet officials had earlier reached a basic agreement under which Japan's Export-Import Bank would provide loans to cover roughly half of projected Soviet purchases on terms comparable to those offered by European banks. Diplomatic analysts in Tokyo

said that Japan's Western European rivals had been favored in the bidding because they would also ultimately figure as major purchasers of the pipeline's output.

But they said that the Russians, in apparently cutting the Japanese out of the deal entirely, took the opportunity to underscore their dissatisfaction with Tokyo's sanctions.

The Japanese chafe over what they view as Europe's open disregard of Western guidelines on trade with the Russians that they claim has helped fuel a boom in business with the Eastern bloc. According to Japanese statistics, two-way trade with the Soviet Union in 1980 grew 53 percent in France, 32 percent in Italy, 11 percent in West Germany and 6 percent for Japan.

Promoting Trade

Hirohide Ishida, who heads the Japan-Soviet Parliamentary Friendship Association, a group of conservative Diet members, said "this is absolute nonsense." The United States "is selling wheat to the Soviets," he said, and "it's clear that the sanctions are not effective to settle the Afghan issue."

Such sentiments have been bolstered by the strong support of Japan's Ministry of International Trade and Industry. In briefing foreign reporters here this week, Kazuo Wakasugi, a ministry spokesman, said "it's better for us not to try to strangle the Soviet Union."

He said the ministry hoped to promote trade with the Soviet Union and to remain flexible within

the framework of the government's overall international policy.

The bid to improve relations with Moscow, however, suffered a setback this week when Education Minister Mikhail A. Prokofyev abruptly canceled a scheduled visit at the invitation of Mr. Ishida's parliamentary group.

The Japanese Foreign Ministry agreed to the "unofficial" trip on the condition that Mr. Prokofyev come in his capacity as the head of the Soviet-Japan section of the Supreme Soviet and not as a Soviet Cabinet minister.

In line with its policy on sanctions, Tokyo prohibits the exchange of Cabinet-level officials between the two countries for "friendly" visits not directly related to affairs of state.

Despite Tokyo's apparent willingness to bend its own rules, Mr. Prokofyev refused to come when Foreign Ministry officials denied him a regular diplomatic visa.

"The Soviets operated under the assumption that if they pushed we'd back down," a Foreign Ministry official said. He said what happened was a good example that the Japanese were "firmly committed to continuing our policy on sanctions."

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New U.S. Drug Helps Combat Spinal Paralysis

By Victor Cohn
Washington Post Service

WASHINGTON — Military scientists here have developed the most promising drug treatment yet for preventing total paralysis or near paralysis resulting from crippling spinal cord damage.

Their work with experimental animals — injecting a hormone called TRH, thyrotropin-releasing hormone, immediately increases the hope of preventing paralysis in thousands with spine injuries caused by automobile, motorcycle and diving accidents.

The achievement is described as "dramatic" in an editorial in Thursday's New England Journal of Medicine, where scientists at the Uniformed Services Health Sciences University and the Walter Reed Army Institute of Research reported the results.

The scientists — Dr. Alan Faden, Thomas Jacobs and Dr. John Holaday — dropped heavy weights on cats to crush their spinal cords, duplicating the devastating spinal damage that occurs in an increasing number of human falls and accidents every year.

The researchers waited an hour to approximate the time it takes most such victims to get to a hospital. Then they began four hours of continuous injection of TRH, a powerful substance produced by the hypothalamus, near the base of the brain.

They did this with six cats that otherwise would have died or at best would have walked with severe incoordination and spasticity. Four of the six now walk normally and two others walk nearly normally.

Animals left untreated after the same kind of injury either died or eventually walked with great difficulty.

Some victims of spinal-cord injury have the nerves in their spinal cord completely destroyed or severed and inevitably become quadriplegics or paraplegics, bound to wheelchairs. This kind of drug treatment could not help them.

But many who suffer only spinal cord trauma, like that experienced by the cats, also become quadriplegics or paraplegics or lose much of the power and use of their arms and legs.

Restore Blood Flow

These persons, treated very quickly, may in time be helped by TRH. Quick treatment is important because scientists have learned that much paralysis is caused not so much by the initial injury to the spinal cord as by the first six hours of interrupted blood flow to the crucial nerve cells within the cord.

Early last year Dr. Faden and Holaday reported rapidly restoring blood flow in cats with spinal-cord

damage by injecting a drug called naloxone. Naloxone acts by blocking a group of brain chemicals known as the endorphins.

Endorphins both lower blood pressure and relieve pain. Giving the cats naloxone restored blood pressure and blood flow but also, it turned out, may encourage crippling pain.

TRH, like naloxone, partly blocks endorphin action. But it

does so without interfering with the endorphins' pain relief.

Drs. Faden and Holaday have also used both naloxone and TRH to combat physiologic shock. This is the drastic, often fatal fall in blood pressure that follows many kinds of injuries, nerve damage, hemorrhaging or bacterial infections. Other investigators have already begun reporting successful naloxone use in human shock.

U.S., Burma Sign Farm Aid Pact

New York Times Service

WASHINGTON — The U.S. government has signed a \$30-million economic assistance agreement with Burma.

Except for a small health-care grant last year and continuing help in combating the cultivation and trade in opium, this is the first U.S. aid accord with Burma in 15 years.

The Socialist government of President Ne Win, adhering to strict neutrality, has refused aid from both the United States and the Soviet Union since coming to power in 1962. The last U.S. aid under earlier agreements went to Burma in 1966, administration officials said.

The agreement signed Wednesday, according to officials of the U.S. Agency for International Development, will support Burma's

corn and oil-seed production over five crop years, beginning with a \$7.5-million grant for fiscal 1982. Burma will be provided with technical assistance, agricultural training, trucks, forklifts, farm tools, improved seed, fertilizers and other equipment and materials.

Liberia Said to Arrest Former Aide for Theft

Reuters

MONROVIA, Liberia — Former Justice Minister Chesa Chespoop has been arrested near the Ivory Coast border while trying to flee the country and has been charged with theft, Ministry of Justice sources said Thursday.

Two days ago, the ministry ordered his arrest after he failed to appear for investigation.

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Fashion

U.S. Designers Come Into Their Own at New York Spring Shows

By Hebe Dorsey
NEW YORK — American fashion is like a brand new house without cobwebs — no hang-ups, no souvenirs, no memories, no family portraits and certainly no knickknacks.

That is the strongest impression that comes out of the American spring collections being shown here all of this week and next.

The tide started changing a couple of years ago when U.S. designers' clean-cut, uncluttered look began attracting both European press and buyers.

Change of Attitudes

The growing success of American designers stems from a number of factors. "New York fashion is now attracting Europeans, first of all because Europeans have become accustomed to a more casual elegance, which implies sportswear, an American invention and forte," said Robert Sakowitz, president-owner of the Sakowitz department stores in Houston.

Bernard Ozer, vice president of Associated Merchandising Corp., believes American designers have been attracting Europeans steadily. "They don't come so much at fashion shows but they keep trickling in all the year round.

Search for Exclusivity

For Geraldine Stutz, president of the Henry Bendel specialty store, the tide has also turned but for different reasons. "In order to survive, we had to have a layer of exclusive merchandise," she said.

Stutz feels that there is a whole new breed of young U.S. talents. "They are very sure of themselves," she said, "and very intent on projecting their own character and point of view. They copy no one. And they are more intent in doing their thing their way than in acquiring instant money and status."

Ellis, the fair-haired boy of U.S. fashion, showed both long and short styles with the authority and aplomb that comes from success at the box office.



The long and short of Perry Ellis.

Personalities

Alan Schneider: From Russian Drama to Waiting for Beckett

By Thomas Quinn Curran

PARIS — Alan Schneider, today a leading director of the American stage, has some regrets that he swerved away from a career in journalism.

"I wanted to be a journalist. I studied journalism and I wrote for papers in Baltimore and Washington, but the theater intervened," he explained.

In conversation he has a good reporter's knack. He is full of surprising information, focuses on the highlights, compresses what he has to say, and avoids repetition.

He was born in Rostov, but left Russia with his family at the age of 5. He speaks Russian as fluently as he does English and is a specialist in Russian theater, with a degree from the University of Wisconsin for his thesis on the visionary director-dramatist, Nikolai Evreinov, whom he visited in Paris.

Schneider introduced Beckett to the United States with "Waiting for Godot" at the Miami Playhouse, with Bert Lahr and Tom Ewell as the bewildered tramps.

"While rehearsing the play I wrote Beckett, asking him who or what was meant by Godot. He replied, 'If I knew, I would have said so in the play.'"

"The play thrilled some, puzzled others and maddened still others. Later when Herbert Blau's company in San Francisco played it before a convict audience in San Quentin one prisoner, Rick Cluchey, had his answer to the question I asked Beckett. 'I know who Godot is,' he said, 'he's the warden.'"

Cluchey was so fascinated that he formed a theater group in the prison, corresponded with Beckett and since his release has taken to professionally acting and directing Beckett's works. He was represented in the current festival here and is now in Italy on tour doing Beckett.

Beckett has been awarded the Nobel Prize and has an international public that regards him as the century's greatest playwright, though certain contemporaries are not at all in accord. What is Schneider's solution to the riddle? "Give me a moment or two," he pleaded, swelling to the theme. "I fell under the Beckett spell when I read his novel, 'Murphy.' The hero begs his friends in his will to take his ashes in a paper bag to the Abbey Theatre and throw them down the toilet. The friends would comply with the request, but in crossing Dublin the paper bag gets soaked on barroom tables and the mission is not accomplished. Here you have the comic irony of Beckett, his hilarious, wild humor and his sadness."

"He is commonly set down as a black pessimist because he pictures the agony of existence. I used to

argue this with O'Casey, who saw in Beckett's plays a rejection, a contemptuous hatred of life. Not so — at least as I judge it. He deals with defeat and desperation, but he doesn't surrender to them. The tramps in 'Godot' go on waiting. They hope — perhaps in vain — but they hope. I can only tell you that from my experience his work fortifies the spirit. It inspires you to go on — despite all obstacles."

London Center Unveiled

The Associated Press LONDON — The Barbican Center, a £143-million (about \$260-million) arts complex in the City of London financial district, was unveiled to the press Thursday.

The center is a 10-block complex covering 5 1/2 acres. Its 2,000-seat concert hall becomes home for the London Symphony Orchestra while the Barbican Theatre will be the permanent London headquarters of Britain's Royal Shakespeare Company.

Opera

Verdi's 'Nabucco' Is Revived in Trieste

William Weaver

TRIESTE — Giuseppe Verdi has always had a special significance for Trieste. After the composer's death, the city — still Austrian — was the first to raise a monument to him. The handsome Teatro Grande at one point changed its name to Teatro Verdi and the repertory has always been, and remains, strongly Veridian.

Nurmela Sings Title Role

And it was "Nabucco," in a new production, that opened the season at the Teatro Verdi on Tuesday. Partly thanks to its Austrian past, no doubt, the city has a long and distinguished musical tradition, and its musical forces have a discipline and a seriousness not always found in other Italian cities.

galle was authoritative and moving, and his dramatic, human solo scene at the beginning of Act 4 (which in this production became the second half of Act 3) achieved its effect splendidly. The Abigaille of Radmila Bakovic was guided by good intentions and intelligent musicality, though the voice sometimes simply lacked the power to do what its possessor — and Verdi — wanted of it.

Vocally the young Alfredo Zanazzo was a more than acceptable Zaccaria; he is a promising young actor, though his acting was excessively wooden even for a high priest. In the smaller, more anonymous roles of Fenena and Ismael, Eleonora Jankovic and Gaetano Scano sang clearly and warmly and were exceptionally positive in their contributions to the numerous ensembles.

Misha Scandella's painterly sets were often good looking, though they ignored the requirements of the drama (Nabucco was obliged to see things through a thick backdrop and address a door that did not exist). The costumes, largely in neo-barbarian style, were colorful but sometimes confusing.

But no matter. This was a gala occasion, the happy and enjoyable opening of a season that continues into May and promises — with a program ranging from Puccini and Wagner to Granados and Montezuko — to be one of Italy's most interesting this year.

Dance

Rambert Stages North's 'Lonely Town'

By Noel Goodwin

LONDON — Having just published in "Ballet Rambert: 50 Years and On," a checklist of 288 dance productions, together with various essays and interviews, the oldest regular dance company in Britain has now added two works to the total. Seen on tour at Oxford (where the New Theatre is now renamed the Apollo), they are by the company's new resident team of Robert North and Richard Alston, the former staging his first dance work since becoming artistic director six months ago.

North is from Charleston, S.C., and he gives a transatlantic turn of phrase to "Lonely Town, Lonely Street" as the dancers, in jump suits and jeans, move with a sense of underlying menace, of aggression nervously checked, amid the overflowing trash cans and suspended fire escapes of Andrew Storer's design. We are taken instantly for a renewed look at the territory pioneered in "West Side Story" and "Opus Jazz" by a generation ago, and not for nothing is the new work dedicated to the eminent U.S. teacher of jazz dance, Matt Mattox.

The music is of taped songs by Bill Withers, the sentiments of which afford a loose narrative thread for some of the dance encounters: of a junkie (Guy Detot)

beaten up by a girl's gang; of a tough altercation in danced jealousy (Lucy Burge and North himself); of a potentially romantic duet (Quincy Sacks and Nelson Fernandez) that turns sour. The dancers all appear together in the finale, but each remains isolated and alone, though the work as a whole is less a social comment than a diversion in its own particular mood.

So also is "Night Music," for which Alston has turned not to the Mozart music the title might suggest, but to his six wholly charming notturni for trios of voices and basses horns, interspersed with movements for the instruments alone, the party-music of its time. Against a splotchy decor of magenta and green, with silver side panels, often confusing the line of the dancers, Alston's figures express a gentle friendship of association in which occasional suggestions of emotions never remain clouded for long.

Whether by accident or design, the new works have given the Rambert repertory the kind of triple bill that every artistic director dreams of in terms of balanced contrast and popular appeal. They are followed by Christopher Bruce's "Ghost Dances," which had its premiere last July. Welcome then, it grows stronger on further viewing, as well as becoming a wide success in its specified theme of compassion for South American victims of oppression, the dancers in tragic mood depicting the loss of innocence, of lives and of life itself.

Events in the ongoing Dance Umbrella festival in London and other centers, have included a French contribution from Caroline Marcade and Dominique Petit, who run the Paris Studio des Quatre Temps. Their program reflected a background in classical ballet as well as modern dance, and in dramatic theater as well as movements, with often compelling solos for each dancer and a cinematic-like work, "Pierre Robert," involving both.

Brighton's Gardner Arts Center housed the Umbrella appearance by Extempore Dance Company, now in its sixth year as the newest regular touring group on the British scene, and in its first performances under a new director, Emily Claid, sometime member of the Canadian National Ballet and the Martha Graham company. Her refurbishment of the repertory with new works by herself and others includes a diverting "numbers" dance by the New York experimentalist David Gordon, and more urban angst in "City" by the Texas-born Tom Jobe, who is back for a year with London Contemporary Dance Theatre.

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benefits from investments it makes, but there's no doubt in my mind that Italy benefits too. IBM buildings and IBM jobs are here in Italy. Facts speak for themselves, believe me." Franco Soliani, IBM Italy

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Japan's 1980

BUSINESS NEWS BRIEFS

Goldman Sachs and J. Aron Planning to Merge

NEW YORK — Goldman Sachs and J. Aron said Thursday that they plan to merge...

U.S. Savings Bank Called in Danger of Failing

NEW YORK — The Federal Deposit Insurance Corp. is seeking a merger partner for the Greenwich Savings Bank...

Yen Could Be Hardest Currency, Banker Says

TOKYO — The yen could become the world's hardest currency in 1982, rising to about 200 to the U.S. dollar...

SEC, Gulf & Western Reach Settlement

WASHINGTON — Gulf & Western Industries and the Securities and Exchange Commission has settled the agency's highly publicized lawsuit...

LePage to Keep Share of Real Estate Broker

TORONTO — When Sears, Roebuck takes control of Coldwell Banker & Co., the U.S. realtor is likely to find a big Canadian real estate firm at its side...

Marathon Oil to Buy Husky U.S., U.K. Units

NEW YORK — Marathon Oil has agreed in principle to purchase the U.S. oil and gas subsidiary of Husky Oil of Calgary, Alberta...

Harold D. Hoopman, Marathon's president, said in announcing the agreement late Wednesday...

The acquisition will give Marathon more exposure to heavy oil technology, said Geoffrey M. Hertel...

Husky Oil Ltd., the parent company, announced last month plans to sell its U.S. subsidiary to concentrate on its Canadian operations...

Price Below Predictions

The purchase price is well below the \$25-million to \$1-billion range projected by some analysts when Husky announced its plans to sell...

The Husky subsidiary has listed reserves of 36 million barrels of crude oil and 96 billion cubic feet of natural gas...

Also included in the U.S. part of the transaction are refining and marketing operations, a pipeline and three small refineries...

A Husky spokesman said the company is likely to make a strong move into Canadian oil shore drilling, using funds from the proposed sale...

A final decision hasn't been made on what to do with the funds, but the company will be virtually debt free once the deal is completed...

Productivity In U.S. Falls

WASHINGTON — The productivity of U.S. business, including farms, fell at an annual rate of 1.9 percent in the third quarter...

The department said that when farming was removed from the equation, productivity in all other private business declined at an annual rate of 2.2 percent...

The productivity performance in the overall private business sector was the poorest showing since the 2.3-percent annual rate of decline registered during the first three months of 1978...

Baldrige Calls on Japanese To Open Market to Imports

TOKYO — U.S. Commerce Secretary Malcolm Baldrige warned Japanese officials on Thursday that a protectionist sentiment is building within his government...

Mr. Baldrige added that lower U.S. rates and a stronger yen would hold down Japan's exports and ease trade friction...

But, the sources reported, Mr. Baldrige said the effect of exchange rates was only partial, and that while voluntary export restraints by Japan might ease trade friction...

He also said the Keidanren is seeking ways to remove non-tariff barriers on import procedures, standards some imports must observe and import inspections...

U.S. Leading Economic Indicators Took 'Steep Plunge' in September

WASHINGTON — A broad gauge of future U.S. economic strength fell by the largest amount in 17 months in September...

The index had fallen in May and June before rising in July and then declining again in August. The national economy has shown little overall strength since February...

NYSE Prices Fall Sharply; Bank Lowers Prime Rate

NEW YORK — Prices on the New York Stock Exchange, after pondering some grim economic news and a brighter interest-rate picture, fell Thursday in sluggish trading...

The market had rebounded a bit after Continental Illinois National Bank & Trust lowered its prime rate to 17 1/2 percent from the prevailing 18 percent...

The Dow Jones industrial average, which shed 0.77 point Wednesday, dropped 4.66 points to close at 827.95...

Declines led advances, 880-570, and the NYSE turnover amounted slipped to about 40 million shares from 48.10 million Wednesday...

Analysts attributed the decline in part to the large drop in the September index of leading economic indicators. They said investors were also disappointed by the fall in IBM, a bellwether stock...

IBM, which lost 1 1/4 points Wednesday to close at its lowest in over six years, was \$1 down at one point Thursday and finished off 1/4 at 49 in active trading...

Irving Trust and Marine Midland Trust cut the interest rate they charge brokers for loans to 15 1/2 percent from 16 percent, the prevailing rate...

Brokers were encouraged the bond market rallied in reaction to the Treasury's report late Wednesday that it needs \$8.75 billion for its November refinancing...

Businessmen attending a conference board sales outlook meeting in New York forecast that high interest rates will probably impede U.S. economic progress over the next several months...

February. And the government's broadest measure of economic activity — inflation-adjusted gross national product — declined in the second and third quarters...

Those declines led Reagan and numerous private analysts to declare that the nation was in its second recession in two years.

NYSE Prices Fall Sharply; Bank Lowers Prime Rate

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COMPANY REPORTS

Table with columns for Country, Company Name, and Financial Data (Revenue, Profits, Per Share) for various companies like American Standard, Chrysler, Ford Motor, etc.

CURRENCY RATES

Table showing interbank exchange rates for Oct. 29, 1981, for various currencies including Dollar, Yen, Pound, etc.



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Advertisement for Trade Development Bank, including text about international banking services and a list of office locations.

BEAT INFLATION GUARANTEED

Advertisement for a bank offering high interest rates on deposits to beat inflation, with a list of rates for various currencies.

NYSE Nationwide Trading Closing Prices Oct. 29

Tables include the nationwide prices up to the closing on Wall Street.

12 Month High	12 Month Low	Stock	5 Yld. P/E	High	Low	Close	Change
174	174	AAAR	1.0	174	174	174	0
175	175	AAAC	1.0	175	175	175	0
176	176	AAAD	1.0	176	176	176	0
177	177	AAAE	1.0	177	177	177	0
178	178	AAAF	1.0	178	178	178	0
179	179	AAAG	1.0	179	179	179	0
180	180	AAAH	1.0	180	180	180	0
181	181	AAAI	1.0	181	181	181	0
182	182	AAAJ	1.0	182	182	182	0
183	183	AAAK	1.0	183	183	183	0
184	184	AAAL	1.0	184	184	184	0
185	185	AAAM	1.0	185	185	185	0
186	186	AAAN	1.0	186	186	186	0
187	187	AAAO	1.0	187	187	187	0
188	188	AAAP	1.0	188	188	188	0
189	189	AAAR	1.0	189	189	189	0
190	190	AAAC	1.0	190	190	190	0
191	191	AAAD	1.0	191	191	191	0
192	192	AAAE	1.0	192	192	192	0
193	193	AAAF	1.0	193	193	193	0
194	194	AAAG	1.0	194	194	194	0
195	195	AAAH	1.0	195	195	195	0
196	196	AAAI	1.0	196	196	196	0
197	197	AAAJ	1.0	197	197	197	0
198	198	AAAK	1.0	198	198	198	0
199	199	AAAL	1.0	199	199	199	0
200	200	AAAM	1.0	200	200	200	0

12 Month High	12 Month Low	Stock	5 Yld. P/E	High	Low	Close	Change
201	201	AAAN	1.0	201	201	201	0
202	202	AAAO	1.0	202	202	202	0
203	203	AAAP	1.0	203	203	203	0
204	204	AAAR	1.0	204	204	204	0
205	205	AAAC	1.0	205	205	205	0
206	206	AAAD	1.0	206	206	206	0
207	207	AAAE	1.0	207	207	207	0
208	208	AAAF	1.0	208	208	208	0
209	209	AAAG	1.0	209	209	209	0
210	210	AAAH	1.0	210	210	210	0
211	211	AAAI	1.0	211	211	211	0
212	212	AAAJ	1.0	212	212	212	0
213	213	AAAK	1.0	213	213	213	0
214	214	AAAL	1.0	214	214	214	0
215	215	AAAM	1.0	215	215	215	0
216	216	AAAN	1.0	216	216	216	0
217	217	AAAO	1.0	217	217	217	0
218	218	AAAP	1.0	218	218	218	0
219	219	AAAR	1.0	219	219	219	0
220	220	AAAC	1.0	220	220	220	0

DRILLING FUND LAND-BANK CONCEPT

(or how an equity went from 25 cents to a high of \$43)

Security analysts may be acting as foils to King Canine, trying to stem the tide, in stressing that there is a buyer for every seller, that the Samba-like wiggles of the stock market, over a period of time, are not a random series of spontaneous events, that the direction, the direction, are orchestrated by the Power Elite, buying America "wholesale" from irrational sellers. To guide those who want to emulate the Prime Movers, our current report reviews equities that are dramatically overvalued. Unlike pseudo graphs of despair and a band of renegade Apache Indians in New Mexico, who started (on September 23) a 52 day count-down to a day they divide as being the Apocalypse, hiding in caves, our editors remain optimistic, believing that the John Wayne's of Wall Street will demolish pessimistic prophets. Besides recommending CONE MILLS, GOODRICH, KAISER ALUMINUM, PENNZOIL, and SPERRY all of which evidence signs of professional accumulation, we highlight an emerging natural resource stock, PORTNAX DEVELOPMENT LIMITED, trading around \$14. Utilizing the "drilling land-bank" concept, popularized by such winners as PETROLEWIS, \$10, (its shares once sold below 30 cents, with an all time high of \$43), PORTNAX may eventually sell at levels that a net-worshiper could make purchasing shares, now, a classic investment. Backed by cash flow derived from its interest in producing oil and gas wells in Oklahoma, the company hopes to initiate a number of exploratory-development projects in a northeast, could make purchasing shares, now, a classic investment. Backed by cash flow derived from its interest in producing oil and gas wells in Oklahoma, the company hopes to initiate a number of exploratory-development projects in a northeast, could make purchasing shares, now, a classic investment. Backed by cash flow derived from its interest in producing oil and gas wells in Oklahoma, the company hopes to initiate a number of exploratory-development projects in a northeast, could make purchasing shares, now, a classic investment.

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PORTNAX DEVELOPMENT LIMITED

Bid: U.S. \$1.25. Asked: U.S. \$1.50.
As of date: October 30, 1981.
J. STROEVE & CO. (Est. 1818)
Members Amsterdam Stock Exchange
Kerkstraat 263 - 1017 HW Amsterdam - The Netherlands
Tel: 245075 - Telex: 16396

New issue October 30, 1981

All these bonds have been sold, this announcement appears as a matter of record only.

SEK Aktiebolaget Svensk Exportkredit

(Swedish Export Credit Corporation)
Stockholm

DM 100,000,000
10% Bonds due 1991

WESTDEUTSCHE LANDESBANK GIROZENTRALE

DEUTSCHE BANK Aktiengesellschaft
DRESNER BANK Aktiengesellschaft
ALGEMENE BANK NEDERLAND N.V.

CREDIT COMMERCIAL DE FRANCE
KUWAIT INTERNATIONAL INVESTMENT CO. S.A.K.
PIB INVESTMENTS LIMITED

SKANDINAVISKA ENSKILDA BANKEN
SVENSKA HANDELSBANKEN
SWISS BANK CORPORATION INTERNATIONAL Limited

S. G. WARBURG & CO. LTD.
SPARBANKERNAS BANK

Al Ahli Bank of Kuwait (K.S.C.)
Anzo International Limited
Banca Commerciale Italiana
Banca del Gottardo
Bank of America International Limited
The Bank of Bermuda Limited
Bank Gutzwiller, Kurz, Burgener (Overseas) Limited
Bank Mees & Hope NV
Bank of Tokyo International Limited
Banque Bruxelles Lambert S.A.
Banque Francaise du Commerce Extérieur
Banque Generale du Luxembourg
Societe Anonyme
Banque de l'Indochine et de Suez
Banque Internationale de Luxembourg S.A.
Banque Nationale de Paris
Banque Norddeutsche S.A.
Banque de Paris et des Pays-Bas
Banque Populaire Suisse S.A. Luxembourg
Banque de l'Union Europeenne
Saring Brothers & Co., Limited
Bayerische Hypothek- und Wechsel-Bank Aktiengesellschaft
Bayerische Landesbank Girozentrale
Bayerische Vereinsbank Aktiengesellschaft
Joh. Borenberg, Gossler & Co.
Bergan Bank
Berliner Handels- und Frankfurter Bank
Blyth Eastman Payne Webber International Limited
Caisse des Depots et Consignations
Chase Manhattan Limited
Chemical Bank International Group
Christian Bank and Kreditkassa
Citicorp International Group
Commerzbank Aktiengesellschaft
Copenhagen Handelsbank A/S
County Bank Limited
Creditanstalt-Bankverein
Credit Lyonnais
Credito Italiano
Credit Suisse First Boston Limited
Daiwa Europe Limited
Richard Daus & Co. Bankers

Den Danske Bank af 1871 Aktieselskab
Den Norske Creditbank
DG Bank
Deutsche Genossenschaftsbank
Deutsche Girozentrale - Deutsche Kommunalbank -
Deutsch-Scandinavisches Bank AG
Dillon, Read Overseas Corporation
Dominion Securities Ames Limited
Effectenbank-Warburg Aktiengesellschaft
Ecomorbare S.p.A.
Fgl International Finance Limited
Banque Francaise du Commerce Extérieur
Girozentrale und Bank der Gesamtwirtschaftlichen Sparkassen Aktiengesellschaft
Göteborgs Bank
Goldman Sachs International Corp.
Groupe des Banquiers Privés Genevois
Hambros Bank Limited
Hamburgische Landesbank - Girozentrale -
Handelsbank N.W. (Overseas) Limited
Georg Hassel & Sohn Bankiers Kommanditgesellschaft auf Aktien
Hessische Landesbank - Girozentrale -
Hill Samuel & Co. Limited
The Hongkong Bank Group
Industriebank von Japan (Deutschland) Aktiengesellschaft
Kansai-Oriental-Bank
Klüber, Peabody International Limited
Kleinwort, Benson Limited
Kreditbank N.V.
Kreditbank S.A. Luxembourgeoise
Kuhn Loeb Lehman Brothers International, Inc.
Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.)
Kuwait Investment Company (S.A.K.)
Bankhaus Hermann Lampe Kommanditgesellschaft
Landesbank Rheinland-Pfalz Girozentrale
Landesbank Schleswig-Holstein Girozentrale
Lloyds Bank International Limited
LTCB International Limited
Manufacturers Hanover Limited

McCleod Young Weir International Limited
Merck, Flock & Co.
Merrill Lynch International & Co.
B. Metzger soel. Sohn & Co.
Mitsubishi Bank (Europe) S.A.
Mittel Trust Bank Europa S.A.
Morgan Grenfell & Co. Limited
Morgan Guaranty Ltd
Morgan Stanley International
National Bank of Abu Dhabi
The Nikko Securities Co. (Europe) Ltd.
Nippon Credit International (HK) Ltd.
Nomura International Limited
Norddeutsche Landesbank Girozentrale
Nordic Bank Limited
Österreichische Länderbank
Orion Royal Bank Limited
Pierson, Hekking & Pierson N.V.
Postbank Ltd
Privatbanken A/S
Rabobank Nederland
Reisner International (NZ) Limited
Salomon Brothers International
Scandinavian Bank Limited
J. Henry Schroder Wagg & Co. Limited
Schroeder, Münchmeyer, Hengst & Co. Incorporated
Smith Barney, Harris Upham & Co. Incorporated
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Société Générale de Banque S.A.
Trinkaus & Barchardt
Union Bank of Finland Ltd.
Union Bank of Norway Ltd.
Union Bank of Switzerland (Securities) Limited
Verelux- und Westbank
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Yamaichi International (Europe) Limited

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12 months				6 months				3 months						
Aden (air)	\$	330.00	165.00	92.00	Green (air)	Dc.	7,200.00	3,600.00	1,980.00	Pakistan (air)	\$	330.00	165.00	92.00
Algeria (air)	\$	330.00	165.00	92.00	Guam (air)	\$	230.00	115.00	63.00	Poland (air)	\$	230.00	115.00	63.00
Africa, other (air)	\$	330.00	165.00	92.00	Hong Kong (air)	\$	240.00	120.00	69.00	Polynesia, French (air)	\$	240.00	120.00	69.00
Algeria (sea)	\$	230.00	115.00	63.00	India (air)	\$	230.00	115.00	63.00	Portugal (air)	Esc.	7,200.00	3,600.00	1,980.00
Amst.	Sch.	2,700.00	1,350.00	730.00	Indonesia (air)	Fl.	72.00	36.00	19.80	Saudi Arabia (air)	\$	230.00	115.00	63.00
Belgium	Sch.	5,400.00	2,700.00	1,500.00	Israel (air)	\$	240.00	120.00	69.00	South America (air)	\$	330.00	165.00	92.00
Bulgaria (air)	\$	290.00	145.00	81.00	Italy	Lira	144,000.00	72,000.00	39,600.00	Spain (air)	Ptas.	144,000.00	72,000.00	39,600.00
Canada (air)	\$	330.00	165.00	92.00	Japan (air)	\$	330.00	165.00	92.00	Sweden (air)	S.Kr.	810.00	405.00	225.00
Cyprus (air)	\$	230.00	115.00	63.00	Lebanon (air)	\$	240.00	120.00	69.00	Switzerland (air)	S.Fr.	242.00	121.00	63.00
Czechoslovakia (air)	\$	230.00	115.00	63.00	Libya (air)	\$	240.00	120.00	69.00	Taiwan (air)	\$	230.00	115.00	63.00
Denmark (air)	D.Kr.	990.00	495.00	270.00	Luxembourg	L.Fr.	5,400.00	2,700.00	1,500.00	Turkey (air)	\$	230.00	115.00	63.00
Egypt (air)	\$	240.00	120.00	69.00	Malaysia (air)	\$	330.00	165.00	92.00	U.A.E. (air)	\$	330.00	165.00	92.00
Finland (air)	F.M.	330.00	165.00	92.00	Malta (air)	\$	230.00	115.00	63.00	U.S.A. (air)	\$	230.00	115.00	63.00
France	F.F.	720.00	360.00	198.00	Mexico (air)	\$	230.00	115.00	63.00	Yugoslavia (air)	\$	230.00	115.00	63.00
Germany	D.M.	360.00	180.00	100.00	Morocco (air)	\$	400.00	200.00	112.00	Zaire (air)	\$	330.00	165.00	92.00
Great Britain	£s.	54.00	27.00	15.00	Netherlands	Fl.	400.00	200.00	112.00	Other Eur. Count. (air)	\$	230.00	115.00	63.00

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INTERNATIONAL
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U.S. Steps Up Attack On Foreign Subsidies

Challenge Filed to Common Market On Subsidies to Chicken Exporters

By Clyde H. Farnsworth
WASHINGTON — The U.S. government, stepping up its campaign against exports that are subsidized by its trading partners, has announced an action that could lead to a new skirmish over chickens with the E.C.C.



Chickens are the focus because of the volume of trade involved.

Economist Adds Up Thrifts' Woes

By Hobart Rowen
WASHINGTON POST SERVICE
HARWICHPORT, Mass. — Two out of every three U.S. savings institutions are insolvent when their assets and liabilities are calculated at realistic current market levels, according to a chief economist for the Boston Federal Reserve Bank.

IBM Moves to No. 2 in Computer-Aided Design

By Robert Metz
NEW YORK — Suddenly and without fanfare, International Business Machines Corp. has become the No. 2 factor in CAD-CAM, after the Computervision Corp. Partly as a result of this, the spectacular growth of smaller participants in the industry has slowed.

Computervision will ship about \$276 million in equipment in 1981. That is 34 percent of industrywide sales, up from 31 percent in 1979. But Mr. Kurliak said he thinks Computervision's share will drop to 35 percent in 1982. So it appears that IBM may be hurting Computervision a little.

SEC Seeking Aid of Foreign Agencies In Campaign Against Insider Trading
LONDON — The U.S. Securities and Exchange Commission is seeking help from foreign regulatory bodies in its crackdown on insider trading. SEC Commissioner Barbara Thomas said Thursday.

Next French State Loan Expected by Year End

PARIS — France's next state loan, expected to be issued before the end of this year, could be for 10 billion francs, Finance Ministry sources said Thursday.

SEC Seeking Aid of Foreign Agencies

Initial talks started in London this week with the British Trade Department, Bank of England, the stock exchange and other regulatory bodies, she added.

An International Herald Tribune/Forex Research Conference on: How to Manage Foreign Exchange Risks Paris November 23-24

Jacques Delors, French Finance Minister, and Governor Henry Wallich of the U.S. Federal Reserve Board will be featured speakers at the seventh International Herald Tribune/Forex Research conference on "The Management of Foreign Exchange Risks" to be held November 23 and 24 at the Grand Hotel in Paris.

- current economic environment:
- monetary policy and the fight against inflation, by Alexandre Lamfalussy, Economic Advisor of the BIS,
- "Exchange rates: too fixed or too flexible?" by Stephen Marris, Economic Advisor to the OECD,
- the Deutschmark, by Kurt Richebacher, consultant and former Executive Manager of Dresdner Bank,
- the prospects in Europe for a foreign exchange futures market, by the Chief Executive of the London International Future Exchange,
- and, of course, the outlook for the major currencies, presented by Forex Research.

CONFERENCE REGISTRATION FORM

Please enroll the following participant for the conference to be held November 23 and 24, 1981 in Paris. Fees are payable in advance of the conference. Each participant: FF 3,500 or the equivalent (plus 17,60% TVA for registrations from France). Fees will be returned in full for any cancellation that is postmarked on or before November 6, 1981.

HOTEL RESERVATION FORM

Please reserve accommodations for the nights of November 22 and 23:
Single (FF 378 per night, breakfast and tax incl.)
Double (FF 432 per night, breakfast and tax incl.)
A block of rooms has been reserved for participants at preferential rates on a first-come, first-served basis. Reservations must be received by November 13 with a check for the first night, payable to the Grand Hotel.

LEGAL NOTICE AND PROPOSED SETTLEMENTS
UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK
IN RE: OCEAN SHIPPING ANTITRUST LITIGATION
NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENTS... AVIS D'ACTION SOCIALE ET D'ARRANGEMENTS PROPOSES... MITTEILUNG ÜBER INTERESSE EINER GRUPPE VON BETRIEFLICHEN VORGEBILDETEN KLAGE UND VORGESCHLAGENER VERGLEICHE...

LEGAL NOTICE AND PROPOSED SETTLEMENTS
UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK
IN RE: OCEAN SHIPPING ANTITRUST LITIGATION
NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENTS... THE COURT HAS NOT GIVEN FINAL APPROVAL TO ANY OF THESE SETTLEMENTS... ATTORNEYS FOR THE PLAINTIFFS CHAIRMAN REPRESENTATIVES INTEND TO APPLY TO THE COURT FOR REIMBURSEMENT OF REASONABLE EXPENSES INCURRED...

U.S. COMMODITY PRICES

Chicago Futures
Oct. 29, 1981
WHEAT, CORN, SOYBEANS, SOYBEAN MEAL, SOYBEAN OIL, LUMBER, CATTLE, FEEDER CATTLE, HOGS, PORK BELLIES, FRESH BROILERS, PLYWOOD, SUGAR-WORLD 11, COCOA, CHOCOLATE, CASH PRICES, TOKYO EXCHANGE, COMMODITY INDICES, MARKET SUMMARY, NYSE MOST ACTIVE, EUROPEAN GOLD MARKETS, GOLD OPTIONS, VALORES WHITE WELD S.A., EUROPEAN OPTIONS EXCHANGE, DOW JONES AVERAGES, DOW JONES BOND AVERAGES, STANDARD & POORS, NYSE INDEX, ODD-Lot TRADING IN N.Y., AMERICAN MOST ACTIVE, AMEX INDEX, FUTURES DOW JONES, PARIS COMMODITIES.

Open High Low Settle Chg.
CATTLE
FEEDER CATTLE
HOGS
PORK BELLIES
FRESH BROILERS
PLYWOOD
SUGAR-WORLD 11
COCOA
CHOCOLATE
CASH PRICES
TOKYO EXCHANGE
COMMODITY INDICES
MARKET SUMMARY
NYSE MOST ACTIVE
EUROPEAN GOLD MARKETS
GOLD OPTIONS
VALORES WHITE WELD S.A.
EUROPEAN OPTIONS EXCHANGE
DOW JONES AVERAGES
DOW JONES BOND AVERAGES
STANDARD & POORS
NYSE INDEX
ODD-Lot TRADING IN N.Y.
AMERICAN MOST ACTIVE
AMEX INDEX
FUTURES DOW JONES
PARIS COMMODITIES

New York Futures
Oct. 29, 1981
MAINE POTATOES
HEATING OIL
SUGAR-WORLD 11
COCOA
CHOCOLATE
CASH PRICES
TOKYO EXCHANGE
COMMODITY INDICES
MARKET SUMMARY
NYSE MOST ACTIVE
EUROPEAN GOLD MARKETS
GOLD OPTIONS
VALORES WHITE WELD S.A.
EUROPEAN OPTIONS EXCHANGE
DOW JONES AVERAGES
DOW JONES BOND AVERAGES
STANDARD & POORS
NYSE INDEX
ODD-Lot TRADING IN N.Y.
AMERICAN MOST ACTIVE
AMEX INDEX
FUTURES DOW JONES
PARIS COMMODITIES

NEW YORK STOCKS
Oct. 29, 1981
Dow Jones Industrial Average
NYSE Composite Index
Sector Indices
Market Summary
NYSE Most Active

NYSE Nationwide Trading Closing Prices Oct. 29
Tables include the nationwide prices up to the closing on Wall Street.
12 Month Stock High Low Div. in % Yld. P/E 52 Wk. High Low Close Over/Under

Continued from Page 10
12 Month Stock High Low Div. in % Yld. P/E 52 Wk. High Low Close Over/Under

Continued from Page 10
12 Month Stock High Low Div. in % Yld. P/E 52 Wk. High Low Close Over/Under

International Monetary Market
BRITISH POUND
CANADIAN DOLLAR
FRENCH FRANC
GERMAN MARK
JAPANESE YEN
SWISS FRANC
EUROPEAN DOLLAR UNIT

Cash Prices
Commodity and unit
This Year Ago
Coffee 4 Santos, lb. 1.55 1.38
Privately 4-30 20% vd. 0.81 0.64

Dividends
OCTOBER 1981
INCREASED
DECREASED
OMITTED

London Metals Market
Copper wire bars
High grade copper
Copper cathodes
Aluminum
Zinc
Nickel

London Commodities
SUGAR
COFFEE
COCOA
COPPER
ZINC
NICKEL

Paris Commodities
SUGAR
COFFEE
COCOA
COPPER
ZINC
NICKEL

AMERICAN MOST ACTIVE
AMEX INDEX
FUTURES DOW JONES
PARIS COMMODITIES

Thursday's New Highs and Lows
NEW HIGHS-11
NEW LOWS-11

U.S. Firms Streamline Coal Loading
By Agis Salpukas
NORFOLK, Va. — Thomas Rappold, manager of the Norfolk & Western Railway's coal pier, stood on the deck of the Mineral

The world at your finger tips.
Herald Tribune
Incisive. In depth. International.

Pour out the Planters.
An advertisement for Planters peanuts featuring a large image of a hand pouring peanuts from a bag into a glass. The text emphasizes the quality and taste of the original dry roasted peanuts.

European Gold Markets
Oct. 29, 1981
London
Zurich
Frankfurt
Geneva

Market Summary
NYSE Most Active
Oct. 29, 1981

Standard & Poors
NYSE Index
Oct. 29, 1981

AMERICAN MOST ACTIVE
AMEX INDEX
FUTURES DOW JONES
PARIS COMMODITIES

European Options Exchange
Tel. 26271 AMSTERDAM, Tel. 14596
GOLD OPTIONS

Dow Jones Averages
Dow Jones Bond Averages
Standard & Poors
NYSE Index

London Metals Market
Copper wire bars
High grade copper
Copper cathodes
Aluminum
Zinc
Nickel

London Commodities
SUGAR
COFFEE
COCOA
COPPER
ZINC
NICKEL

European Options Exchange
Tel. 26271 AMSTERDAM, Tel. 14596
GOLD OPTIONS

Dow Jones Averages
Dow Jones Bond Averages
Standard & Poors
NYSE Index

London Metals Market
Copper wire bars
High grade copper
Copper cathodes
Aluminum
Zinc
Nickel

London Commodities
SUGAR
COFFEE
COCOA
COPPER
ZINC
NICKEL

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Short Term 'B' Units
Long Term Units

AMERICAN MOST ACTIVE
AMEX INDEX
FUTURES DOW JONES
PARIS COMMODITIES

London Metals Market
Copper wire bars
High grade copper
Copper cathodes
Aluminum
Zinc
Nickel

London Commodities
SUGAR
COFFEE
COCOA
COPPER
ZINC
NICKEL

Paris Commodities
SUGAR
COFFEE
COCOA
COPPER
ZINC
NICKEL

AMERICAN MOST ACTIVE
AMEX INDEX
FUTURES DOW JONES
PARIS COMMODITIES

AMERICAN MOST ACTIVE
AMEX INDEX
FUTURES DOW JONES
PARIS COMMODITIES

Eurocurrency Interest Rates

Oct. 29, 1981

Table with columns for currency (Dollar, D-Mark, Swiss Franc, Sterlina, French Franc, ECU, SDR) and interest rates for various terms (1M, 2M, 3M, 6M, 1Y).

Selected Over-the-Counter

Table of closing prices for various stocks and commodities as of Oct. 29, 1981, including items like AEL, AEM, AEW, etc.

European Stock Markets

Oct. 29, 1981

(Closing prices in local currencies)

Table of European stock market closing prices for Amsterdam, Paris, London, Brussels, Frankfurt, and Zurich, listing various companies and their share prices.

AMEX Nationwide Trading Closing Prices Oct. 29

Tables include the nationwide prices up to the closing on Wall Street.

Large table of AMEX trading closing prices for various stocks, including columns for stock name, price, and volume.

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Vertical text on the right edge of the page, including 'HEX Nation' and 'CLASSIFIED'.

AMEX Nationwide Trading Closing Prices Oct. 29

Tables include the nationwide prices up to the closing on Wall Street.

Table of AMEX Nationwide Trading Closing Prices for Oct. 29, listing various stocks and their prices.

Floating Rate Notes

Closing prices, Oct. 29, 1981

Table of Floating Rate Notes, listing various banks and their floating rate notes.

Toronto Stocks

Closing Prices, Oct. 28, 1981

Table of Toronto Stocks, listing various Canadian stocks and their closing prices.

SOGEN INTERNATIONAL FUND, INC.

AVIS AUX DETENTEURS DE CERTIFICATS AU PORTEUR REPRESENTATIFS D'ACTION 'SOGEN INTERNATIONAL FUND, INC.' EMIS PAR LA SOCIETE LUXEMBOURGEOISE DE CONVERSION

Conformément aux dispositions des paragraphes 4 et 9 des 'Terms and Conditions of Share Depository Receipts'...

- 1) De la expiration d'un délai de 90 jours courant à partir de la première publication au Mémorial C de la présente notification... 2) Dix ans après la date d'expiration du délai de 90 jours...

Les établissements aux adresses ci-dessus indiquées sont habilités à recevoir, jusqu'à la date d'expiration du délai de 90 jours...

- SOCIÉTÉ GÉNÉRALE - 29, Boulevard Haussmann, PARIS-9e - FRANCE. SOCIÉTÉ GÉNÉRALE ALSACIENNE DE BANQUE - 15, Avenue Émile Reuter, LUXEMBOURG, Grand-Duché de Luxembourg...

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NEDBANK GROUP LIMITED (Incorporated in the Republic of South Africa.) Profit and final dividend For the year ended 30 Sept 1981.

Profit The net operating income after tax and after transfers to internal reserves attributable to shareholders of the Nedbank Group Limited for the year ended 30 September 1981 amounted to R76 384 000 which represents an increase of 13.4% on the year.

Table showing Operating income after transfers to internal reserves, Less: Taxation, Taxed income, Less: Outside shareholders' interest in the profits of subsidiaries.

Operating income for the year attributable to shareholders of the Nedbank Group Limited: R76 384 000

Dividend cycle: The Directors have decided to transfer R25 000 000 (11% to published reserves leaving more than ample internal reserves for all the banking companies).

Review The past financial year saw drastic movements in the South African economy and interest rate patterns.

Final Dividend Shareholders are advised that the final dividend has been declared of 30.5 cents which, together with the interim dividend of 12.5 cents per share makes a total dividend for the year ended 30th September 1981 of 43 cents per share.

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BOATS AND RECREATIONAL VEHICLES, SERVICES, LEGAL SERVICES, LOW COST FLIGHTS, ESCORTS & GUIDES, REGENCY - USA, WORLDWIDE INTERNATIONAL ESCORT SERVICE.

CLASSIFIED ADVERTISEMENTS (Continued from Page 15), ESCORTS & GUIDES, CAPRICE, Zurich - Geneva, AMSTERDAM, HAMBURG, GENEVA - JADE, AMSTERDAM, LONDON, LONDON TOWN, BELGRAVIA, LONDON PARK LANE, ZURICH, Venessa Escort Service.

ESCORTS & GUIDES, LONDON VIP, Suitan's ESCORT SERVICE, AMSTERDAM, LONDON - CHELSEA GREL Escort Service, HAMBURG, GENEVA - JADE, AMSTERDAM, E.E.C. - CAPITALS, HEATHROW ESCORT SERVICE, LONDON ORIENTAL, GENEVA V.I.P. ESCORT SERVICE.

Soviet Aid for Laos, BANGKOK - The Soviet Union will help Laos build an oil pipeline across mountainous terrain from Vinh, northern Vietnam, to the Laotian capital of Vientiane, 370 kilometers (230 miles) away, the Vietnamese news agency reported Thursday.

COLLEGE DEGREE, Pacific Western University, TOTAL OIL MARINE LIMITED, 9.125% 1977-1984 LOAN OF LG. 25,000,000., COMING IN NOVEMBER, Euromarkets, a special supplement by the International Herald Tribune.

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